



REPUBLIC OF CROATIA - MINISTRY OF FINANCE

# STATISTICAL REVIEW

MINISTRY OF FINANCE MONTHLY STATISTICAL REVIEW - NUMBER **149**

ZAGREB, FEBRUARY 2008

*II/2008*

**COMPILED AND PUBLISHED BY: MINISTRY OF FINANCE, BUREAU FOR MACROECONOMIC ANALYSIS AND PLANNING**

KATANČIĆEVA 5, 10000 ZAGREB, REPUBLIC OF CROATIA  
TEL.: (385) 1 4591392  
FAX: (385) 1 4591393

**Editorial Board**

**Editor-in-chief:** M. Sc. Zdravko Marić  
**Other members of Editorial Board:** B. Sc. Stanko Kršlović  
B. Sc. Dinko Pavuna

**WHEN USING DATA FROM THIS PUBLICATION,  
PLEASE CITE THE SOURCE**

**Available on the Internet: [www.mfin.hr](http://www.mfin.hr)**

**SYMBOLS**

§ preliminary data

Printed in 860 copies.

**ISSN 1334-4013**

## CONTENTS

<b>Table 1: Basic Macroeconomic Indicators for the Croatian Economy</b>	4
Macroeconomic trends	5
<b>CROLEI - Leading indicator of industrial production</b>	5
<b>Consolidated Central Government in January-February 2008 period</b>	9
<b>Table 2: Budgetary Central Government Revenue</b>	12
<b>Table 3: Budgetary Central Government Expense</b>	13
<b>Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government</b>	14
<b>Table 5: Transactions in Financial Assets of Budgetary Central Government</b>	15
<b>Table 6: Transactions in Liabilities of Budgetary Central Government</b>	16
<b>Table 7: Transactions in Financial Assets and Liabilities, by sectors</b>	17
<b>Table 8: Statement of Budgetary Central Government Operations</b>	18
<b>Table 8A/8B: Measures of Budgetary Central Government deficit/surplus</b>	19
<b>Table 9: The Croatian Waters Transactions</b>	20
<b>Table 10: The Environment Protection Fund Transactions</b>	21
<b>Table 11: The Croatian Motorways Ltd. Transactions</b>	22
<b>Table 12: The Croatian Roads Ltd. Transactions</b>	23
<b>Table 13: The State Agency for Deposit Insurance and Banks Rehabilitation Transactions</b>	24
<b>Table 14: The Croatian Privatization Fund Transactions</b>	25
<b>Table 15: Consolidated Central Government by Economic Category</b>	26
<b>Table 16: Consolidated Central Government According to Government Level</b>	27
<b>Table 16A/16B: Measures of Consolidated Central Government deficit/surplus</b>	28
<b>Table 20: General Government Debt Stock</b>	29
<b>Public Debt at the end of February 2008</b>	30
<b>Table 21: Consolidated Central Government Domestic Debt</b>	31
<b>Table 22: Results of the Treasury Bill's Auctions held by the Ministry of Finance</b>	32
Treasury Bills	33
Notes on Methodology	34
Management of the Ministry of Finance	41
Advance Release Calendar	42

TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2002	2003	2004	2005	2006	2007	2007		2008		2007					2008				
							Q2	Q3	Q4	Q1	XI	XII	I	II	III	IV	V			
GDP, current prices (mil. HRK)	181 231	198 422	214 983	231 349	250 590	275 078	68 473	75 494	68 550	69 242	-	-	-	-	-	-	-	-	-	-
GDP, real growth rates	5,6	5,3	4,3	4,3	4,8	5,6	6,6	5,1	3,7	4,3	-	-	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	5,4	4,1	3,7	5,1	4,5	5,6	7,1	4,5	3,2	4,7	2,5	1,4	6,7	8,1	0,2	6,9	-2,1	-	-	-
Retail sales turnover, real growth rate as %	12,5	3,7	2,6	2,8	2,1	5,3	5,6	5,3	2,4	2,8	3,0	-0,2	2,2	7,1	-0,3	0,5	-	-	-	-
Total volume of construction projects, growth rate as %	12,8	22,8	2,0	-0,8	9,3	2,4	0,0	1,7	2,1	10,2	0,0	2,0	10,5	15,1	5,8	21,3	-	-	-	-
Nights spent by tourists, growth rate as %	3,0	4,0	2,0	7,6	3,1	5,6	6,9	5,3	4,1	21,3	13,7	8,3	10,8	15,7	30,7	-20,7	-	-	-	-
Producer's prices, period average, %	-0,4	1,9	3,5	3,0	2,9	3,4	2,5	3,8	5,5	7,6	5,4	5,8	7,4	7,5	7,6	7,7	8,7	-	-	-
Consumer prices, period average, %	1,7	1,8	2,1	3,3	3,2	2,9	2,1	2,9	5,0	5,9	4,6	5,8	6,2	5,8	5,7	5,7	6,4	-	-	-
Total persons in employment, end of period	1 351 364	1 387 910	1 397 416	1 417 158	1 467 398	1 515 647	1 534 011	1 538 788	1 515 647	1 511 381	1 526 105	1 515 647	1 506 097	1 504 138	1 511 381	1 521 066	-	-	-	-
Unemployed persons, end of period	366 162	318 684	317 577	307 851	293 153	254 484	249 548	246 191	254 484	255 491	253 183	254 484	261 129	260 091	255 491	245 205	232 768	-	-	-
Unemployment rate, end of period	21,5	19,1	18,5	17,8	16,7	14,4	14,0	13,8	14,4	14,5	14,2	14,4	14,8	14,7	14,5	13,9	13,2	-	-	-
Unemployment rate - ILO comparable, period average, %	14,8	14,3	13,8	12,7	11,2	9,6	9,1	8,4	9,7	-	-	-	-	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	6,0	4,8	6,4	4,4	6,2	6,2	5,7	6,6	6,4	7,5	6,0	5,7	7,4	8,9	6,2	7,2	-	-	-	-
Average monthly gross wages and salaries paid off in HRK	5 366	5 623	5 985	6 248	6 634	7 047	7 023	7 015	7 291	7 367	7 521	7 255	7 357	7 340	7 404	7 395	-	-	-	-
Exchange rate HRK/USD, period average	7,87	6,70	6,03	5,95	5,84	5,36	5,46	5,32	5,06	4,87	5,00	5,02	4,99	4,93	4,69	4,61	4,66	-	-	-
Exchange rate HRK/EUR, period average	7,41	7,56	7,50	7,40	7,32	7,34	7,35	7,31	7,33	7,29	7,34	7,32	7,33	7,27	7,27	7,27	7,25	-	-	-
Trade Balance (mil. USD)	-5 818	-8 022	-8 565	-9 788	-11 126	-13 469	-3 532	-3 297	-3 675	-4 006	-1 260	-1 109	-1 206	-1 290	-1 520	-1 826	-	-	-	-
Exports (mil. USD)	4 904	6 187	8 024	8 773	10 377	12 360	3 053	3 164	3 509	3 258	1 151	1 067	1 031	1 123	1 106	1 238	-	-	-	-
Imports (mil. USD)	10 722	14 209	16 589	18 560	21 502	25 829	6 585	6 461	7 184	7 264	2 411	2 175	2 237	2 413	2 626	3 064	-	-	-	-
Current Account Balance (mil. EUR)	-2 099	-1 889	-1 434	-1 976	-2 692	-3 206	-1 381	2 087	-1 892	-	-	-	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-8,6	-7,2	-5,0	-6,3	-7,9	-8,6	-14,8	20,2	-20,2	-	-	-	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	5 651	6 554	6 436	7 438	8 725	9 307	9 170	8 795	9 307	9 842	9 112	9 307	9 333	9 677	9 842	9 929	-	-	-	-
Total outstanding external debt, end of period (mil. EUR)	15 143	19 884	22 933	25 748	29 274	33 402	31 058	31 227	33 402	34 362	32 237	33 402	33 718	34 404	34 362	-	-	-	-	-
Internal debt of consolidated central government, eop. (mil. HRK)	23 597	26 261	35 789	47 243	52 290	54 655	53 311	55 108	54 655	-	54 797	54 655	54 111	54 666	-	-	-	-	-	-
Commercial bank's loans, growth rate as %	33,6	16,8	13,1	20,3	22,7	13,3	17,2	16,4	13,3	12,4	13,2	13,3	12,4	13,1	12,4	11,4	-	-	-	-
Interest rates on treasury bills of 91 days maturity, end of period	2,00%	4,00%	3,80%	3,70%	3,00%	3,60%	3,00%	3,35%	3,60%	4,10%	3,60%	3,60%	3,65%	3,75%	4,10%	4,10%	4,10%	-	-	-
ZIBOR (3 m), average	4,60%	5,50%	7,35%	6,19%	4,46%	5,63%	4,95%	6,28%	6,97%	7,23%	7,19%	7,30%	7,56%	7,44%	6,61%	6,43%	6,41%	-	-	-

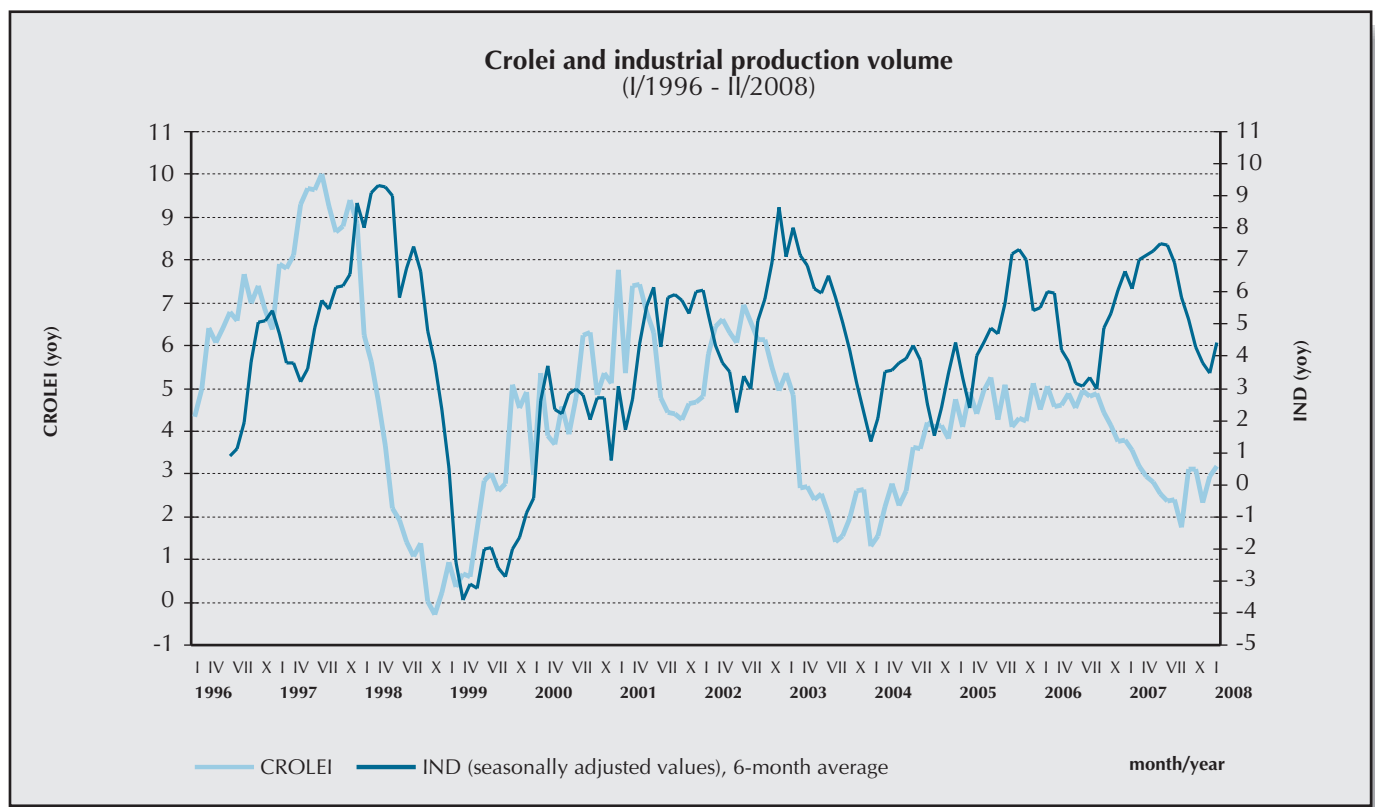
Source: Central Bureau of Statistics, Croatian National Bank, Ministry of Finance

## MACROECONOMIC TRENDS

### CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

In February 2008, the value of CROLEI index recorded a rise of 0.62 percentage points at monthly level. Also, the slight acceleration of the annual growth rate of CROLEI, which started in January 2008, continued in February with an increase to 3.19 percent. The described movement of annual growth rates of the new CROLEI index suggests that a moderate economic growth can be expected in the third quarter of 2008. The value of the diffusive index, a supplementary measure representing the share of the

number of increasing components in the overall number of components of CROLEI, also supports that prediction. In February 2008 the diffusive index stood at the level of 57 percent. Since no longer runs of consecutive monthly declines in the value of CROLEI were recorded in the previous six months and since the value of diffusive index averaged 52 percent in the September 2007 - February 2008 period, the following six months should see the economy experiencing a moderate growth.





## REAL SECTOR

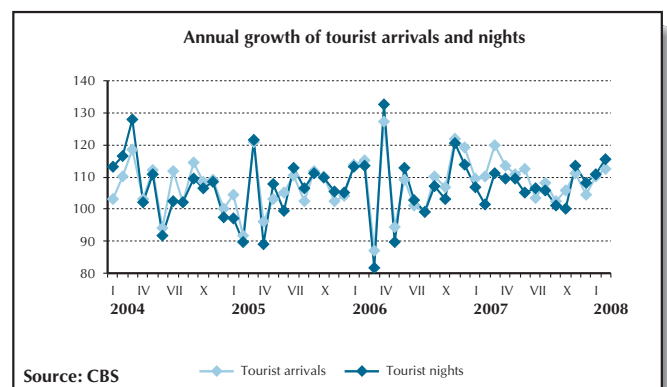
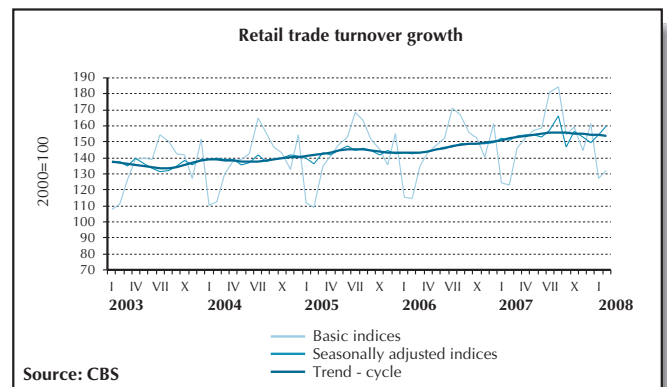
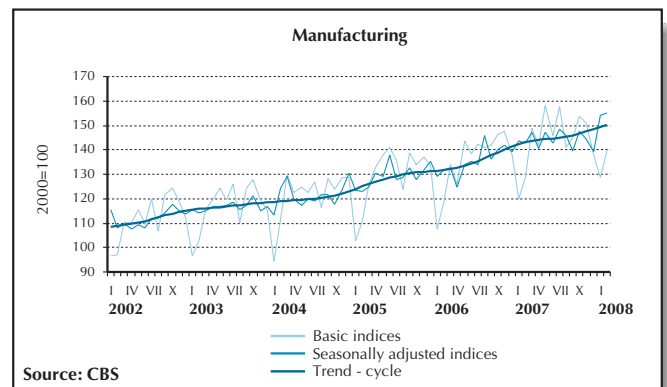
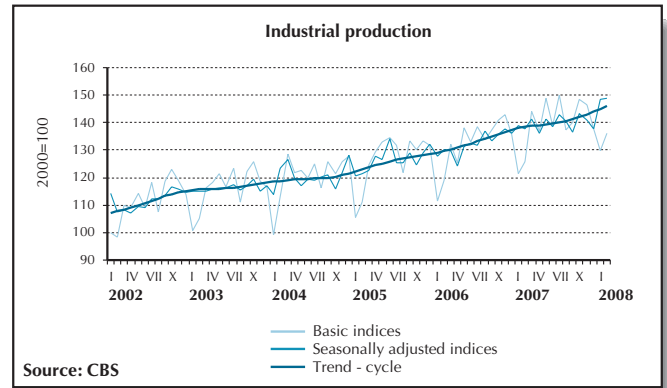
Annual growth of industrial production amounted to 8.1 percent in February 2008, whereas this year's February had one working day more than February 2007, but February 2007 also recorded high industrial production growth of 5.7 percent. Trend-index of the total industrial production was 0.4 percent higher in February compared to January 2008. Industrial production annual growth in the first two months of 2008 was 7.4 percent. When observed by main industrial groupings, the highest growth in the first two months of 2008 was achieved by non-durable consumer goods (10.2 percent) and capital goods (9.2 percent), which implies further future industrial production growth since capital goods aren't intended for consumption but for further production. Production of energy increased in the first two months of 2008 by 7.1 percent, production of intermediate goods by 4.5 percent and production of durable consumer goods by 0.2 percent.

Observed by activities, mining and quarrying went down in the first two months of 2008 by 3.1 percent and electricity, gas and water supply rose by 11.2 percent. Manufacturing, the activity which has the highest share in total industrial production (82.38 percent), increased by 7.9 percent in the first two months of 2008. The highest contribution to the manufacturing growth in the first two months came from publishing, printing and reproduction of recorded media, which recorded annual growth of 19.4 percent, manufacture of food and beverages (annual growth of 9.2 percent), manufacture of fabricated metal products, except machinery and equipment (14.7 percent) and manufacture of chemicals and chemical products (9.4 percent).

Retail trade turnover recorded nominal annual growth of 14.3 percent in February 2008, while real turnover went up by 7.1 percent. This was in line with the developments of other indicators potentially influencing retail trade, primarily employment, loans to households and tourism. That way, number of employed persons in February increased at annual level by more than fifteen thousands, loans to households (excluding housing loans) rose by 14.5 percent and tourist nights rose by 15.7 percent in February. In the first two months of 2008, retail trade turnover was 12.0 percent nominally and 4.7 percent really higher than in the same period of 2007. Observing nominal retail trade turnover by activities, the most significant annual growth in the first two months of 2008 was recorded by the automotive fuels (24.6 percent) and non-specialized stores with food, beverages or tobacco predominating (13.6 percent). Retail trade growth in mentioned activities was probably partially influenced by increase in prices of oil and food.

Total number of tourist arrivals increased in February 2008 by 12.4 percent at annual level, while total number of tourist nights rose by 15.7 percent, which is the highest growth recorded since November 2006. Stronger annual growth of arrivals and nights in February was achieved by foreign tourists, although domestic tourists' nights dominated in the structure of tourist nights (54.3 percent of total tourists' nights). Therefore, domestic tourists' arrivals recorded growth of 4.6 percent in February, while foreign tourists' arrivals increased by 23.6 percent. Number of domestic tourists' nights increased by 9.1 percent in February, while increase in number of foreign tourists' nights was 24.7 percent. Observing the period of the first two months of 2008, total number of tourist arrivals increased by 11.4 percent annually and total number of tourist

nights rose by 13.3 percent. Foreign tourists' arrivals increased by 20.8 percent at annual level in the first two months and domestic tourists' arrivals by 5.2 percent, while foreign tourists' nights went up by 20.0 percent and domestic tourists' nights by 8.8 percent.



## MONETARY TRENDS

Money (M1) decreased in February 2008 by HRK 1.0 billion and stood at level of HRK 51.2 billion at the end of the month. Both components of money recorded a decrease compared to January, however, fall in demand deposits of HRK 946 million contributed the most to the total decline in money. Other component of money, currency outside banks, recorded a decrease of HRK 77 million in February. The annual growth of money amounted to 12.8 percent in February, which represents a deceleration of 0.9 percentage points compared to January 2008.

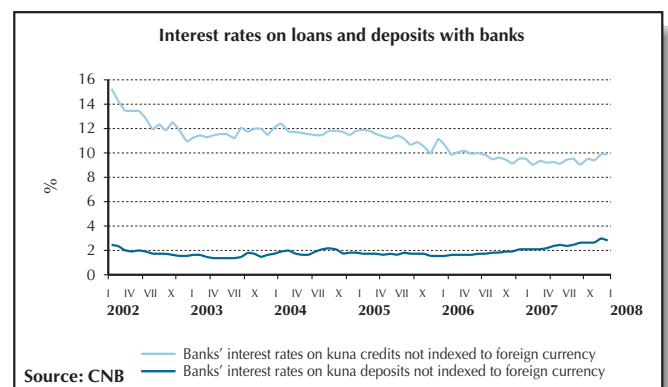
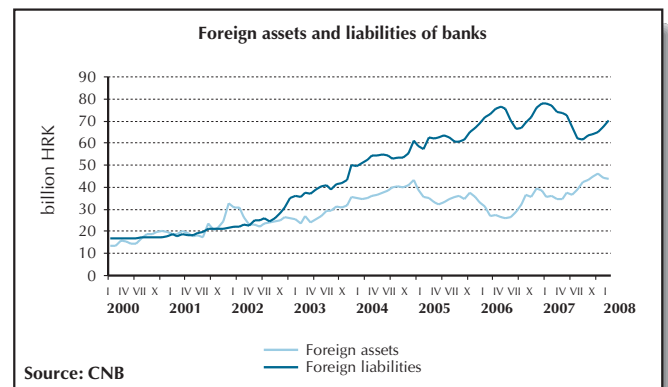
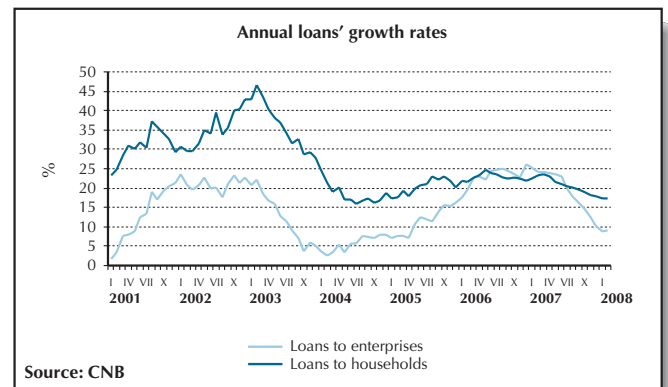
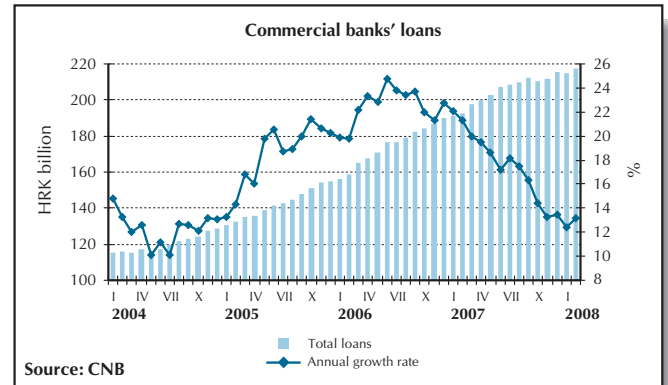
Total loans of commercial banks equaled HRK 217.5 billion at the end of February 2008 and increased by HRK 2.9 billion compared to January. The annual growth rate of total loans amounted to 13.1 percent in February, which is acceleration of 0.8 percentage points compared to January. Kuna loans made 92.0 percent of total loans in February and increased at monthly level by HRK 2.8 billion, while foreign currency loans, with a share of 8.0 percent in total loans, increased in February by HRK 97 million. Loans to households went up in February by HRK 1.3 billion compared to January, while loans to enterprises increased by HRK 1.2 billion. Annual growth rate of loans to households amounted to 17.4 percent in February, as well as in January, while annual growth of loans to enterprises, after ten consecutive months of deceleration, slightly accelerated to 9.2 percent. Housing loans made 40.5 percent of total loans to households in February, while their annual growth has been slowing down for a year and equaled 22.0 percent in February, which is the lowest level since September 2002. Loans to the central government increased by 11.1 percent in February compared to the same month of the previous year.

Total deposits with commercial banks stood at level of HRK 193.4 billion at the end of February and increased compared to January by HRK 1.2 billion. The annual growth rate of total deposits equaled 15.4 percent in February and accelerated by 1.1 percentage point compared to January. Both kuna and foreign currency deposits recorded an increase in February, whereas foreign currency deposits rose by HRK 2.0 billion and kuna deposits by HRK 88 million. The highest increase in foreign currency deposits in February was recorded by sector of households (HRK 1.5 billion), which also achieved the highest growth in kuna deposits (HRK 843 million), which was alleviated by withdrawal of kuna deposits of other banking institutions (HRK 755 million). The annual growth rate of kuna deposits amounted to 15.0 percent in February, while the foreign currency deposits increased by 15.9 percent.

Foreign assets of commercial banks amounted to HRK 43.8 billion at the end of February and decreased by HRK 399 million at monthly level. Observing the annual change, foreign assets recorded an increase of HRK 8.0 billion or 22.4 percent in February. Foreign liabilities of commercial banks stood at level of HRK 70.2 billion at the end of February and compared to January increased by HRK 2.7 billion. At annual level foreign liabilities declined by HRK 7.9 billion or 10.1 percent. Net foreign assets leveled HRK -26.4 billion at the end of February.

The average bank interest rates on kuna credits not indexed to foreign currency increased from 9.90 percent in January to 9.95 percent in February 2008. At the same time, the average

bank interest rates on kuna deposits not indexed to foreign currency went down from 3.00 percent to 2.79 percent. Thereby, the difference between the active and the passive interest rates not indexed to foreign currency in February rose to 7.16 percentage points.



## INTERNATIONAL SECTOR

Total merchandise exports expressed in HRK increased in February 2008 by 6.4 percent at annual level, while total merchandise imports rose by 11.5 percent. Observing the first two months of 2008, total merchandise exports grew annually by 12.1 percent, while total merchandise imports went up by 18.4 percent. Excluding the category of other transport equipment from the foreign trade, exports increased annually by 9.7 percent in the first two months of 2008 and imports by 15.6 percent. The coverage of imports of goods by exports of goods amounted to 46.0 percent in the first two months, which is 2.6 percentage points lower than in the same period of the previous year.

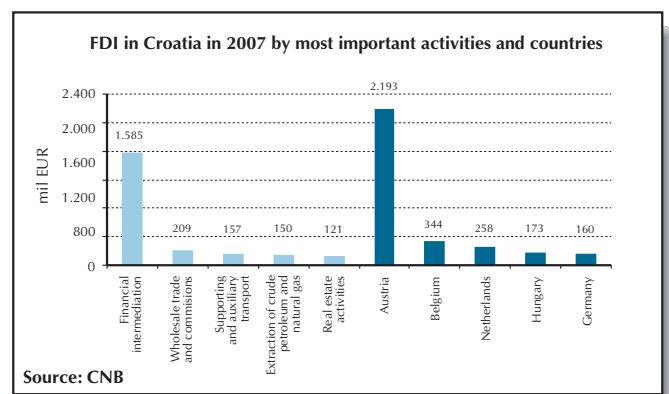
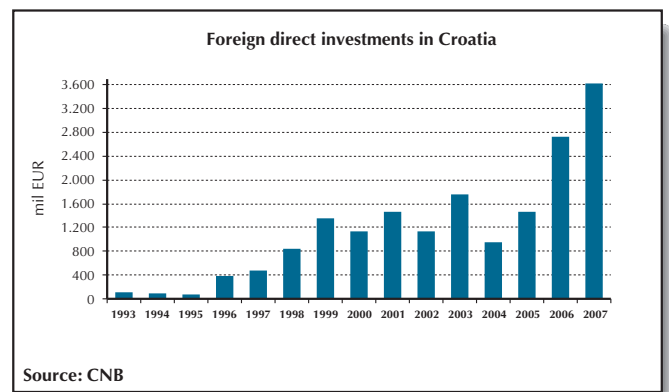
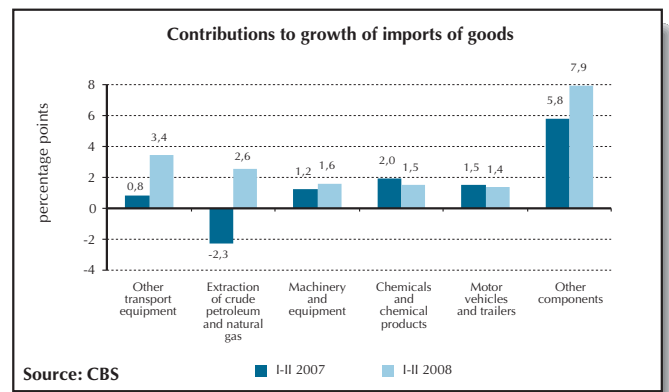
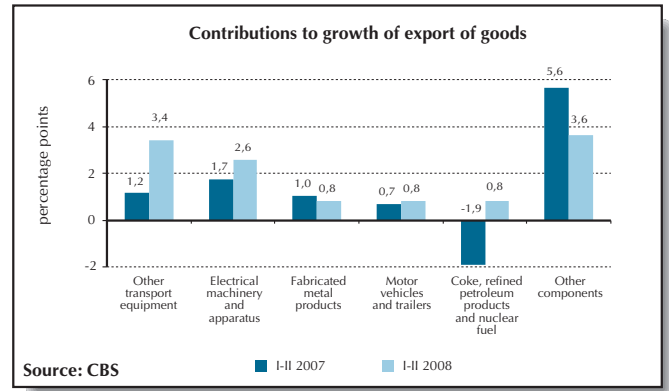
The highest contribution to the merchandise exports' growth in the first two months of 2008 came from the manufacture of other transport equipment (annual exports' growth of 32.0 percent), manufacture of electrical machinery and apparatus (exports' growth of 51.4 percent), manufacture of fabricated metal products, except machinery and equipment (20.3 percent), manufacture of motor vehicles, trailers and semi-trailers (40.3 percent), manufacture of coke, refined petroleum products and nuclear fuel (9.4 percent) and manufacture of food products and beverages (10.1 percent). Categories that contributed the most to the merchandise imports' growth in the first two months of 2008 were manufacture of other transport equipment (annual growth of imports by 85.8 percent), extraction of crude petroleum and natural gas (22.3 percent), manufacture of machinery and equipment (17.9 percent), manufacture of chemicals and chemical products (14.4 percent), manufacture of motor vehicles, trailers and semi-trailers (14.0 percent) and manufacture of radio, television and communication equipment and apparatus (34.4 percent).

The highest share in total Croatian merchandise exports in the first two months of 2008 had exports to Italy (19.0 percent of total exports), Bosnia and Herzegovina (13.6 percent), Germany 11.5 percent, Slovenia 8.5 percent and Austria 6.2 percent of total Croatian merchandise exports. Compared to the same period of 2007, exports to Bosnia and Herzegovina rose by 28.4 percent, to Slovenia 13.3 percent, to Germany 11.8 percent, to Austria 5.5 percent, while exports to Italy went down by 5.2 percent. Observing the foreign trade expressed in USD, exports rose annually by 27.8 percent in the first two months of 2008, while imports increased by 35.0 percent.

Total foreign direct investments in Croatia stood at level of EUR 17.6 billion at the end of 2007. In the year 2007 amount of FDI in Croatia was EUR 3.626 billion, which is the highest amount recorded so far and 32.4 percent higher amount than one recorded in 2006. In total amount of FDI in 2007, 57.9 percent or EUR 2.1 billion made equity investments. Other investments recorded in 2007 the highest amount so far of EUR 1.0 billion and made 28.5 percent of total FDI, while reinvested earnings amounted to EUR 495 million, or 13.6 percent of total FDI. When observing FDI structure by countries of origin, majority of investments in 2007 came from Austria (EUR 2.2 billion), Belgium (EUR 344 million), Netherlands (EUR 258 million), Hungary (EUR 173 million) and Germany (EUR 160 million). Observed by activities, in 2007 the highest amount of FDI was recorded in financial intermediation (EUR 1.6 billion), wholesale trade and commission trade (EUR 209 million), supporting and auxiliary transport activities (EUR 157 million), extraction of crude petroleum and natural gas (EUR 150 million) and real estate activities (EUR 121 million).

In the period from 1993 till the end of 2007, leading country by the amount of FDI in Croatia was Austria, which invested EUR 5.0 billion or 28.2 percent of total FDI in Croatia. Following were Netherlands (16.0 percent), Germany (12.9 percent), France (7.4 percent) and Hungary (6.3 percent of total FDI). Observed by activities, the highest amount of equity investments and reinvested earnings in the period

1993 - 2007 was invested in financial intermediation (EUR 5.0 billion or 35.5 percent), manufacture of chemicals and chemical products (12.0 percent), post and telecommunication (10.0 percent), wholesale trade and commission trade (5.2 percent) and extraction of crude petroleum and natural gas (4.4 percent).





## CONSOLIDATED CENTRAL GOVERNMENT IN JANUARY-FEBRUARY 2008 PERIOD

### REVENUES

In January - February 2008 period, total revenues of consolidated central government amounted to HRK 19.3 billion which represents an annual increase of 15.7 percent. This realization of revenues is above expectations.

Observing consolidated central government according to government level, it can be seen that 96.4 percent of total revenues refers to budgetary central government and the rest to extrabudgetary funds and agencies. Among the extrabudgetary funds and agencies the highest level of revenues was recorded by Croatian Waters (HRK 231.9 million) and Environment Protection Fund (HRK 195.5 million). It is worth mentioning that since January 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of budgetary central government.

With their share of 57.6 percent in the overall revenues, tax revenues represent the most important revenue category of consolidated central government. They recorded an annual increase of 16.9 percent. Among tax revenues, the largest amount is generated through value added tax. Revenues from value added tax, which are entirely under the coverage of budgetary central government, were realized above expectations in the amount of HRK 6.9 billion with an annual growth rate of 18.1 percent.

Revenues from excises amounted to HRK 1.2 billion which represents an annual decline of 3.7 percent. It has to be mentioned here that the road charges, which have been integrated in the excises on petroleum products since 2006, are excluded in this analysis with the purpose of more accurate year to year comparisons.

All the excises, except excises on alcohol, excises on luxury products and excises on personal cars recorded a decrease at annual level. Excises on alcohol grew by high 27.3 percent, excises on luxury products by 9.3 percent and excises on personal cars by 3.8 percent. Highest annual decline was recorded by excises on coffee (8.4 percent), followed by excises on oil derivatives (7.9 percent) and excises on nonalcoholic beverages (6.4 percent).

With 36.8 percent, the revenues from excises on oil derivatives have the largest share in total revenues from excises and thus the strongest influence on the overall developments of excises revenues. They amounted to HRK 458.8 million.

The revenues from excises on tobacco and tobacco products have the second largest share in total revenues from excises (31.9 percent). They were realized in the amount of HRK 397.8 million and recorded an annual decline of 5.4 percent. Since August 2005, customs have maintained strict checks of production and trade of tobacco products which resulted in greater excises revenues from tobacco and narrowing of unofficial economy.

Income tax revenues were realized in the amount of HRK 417.9 million, representing an annual increase of 15.5 percent. The entire collected amount refers to budgetary central government.

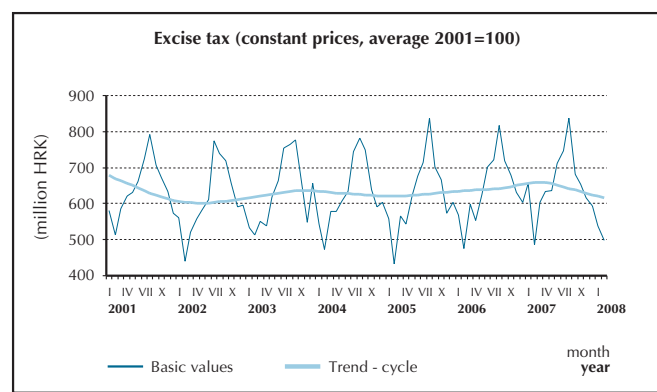
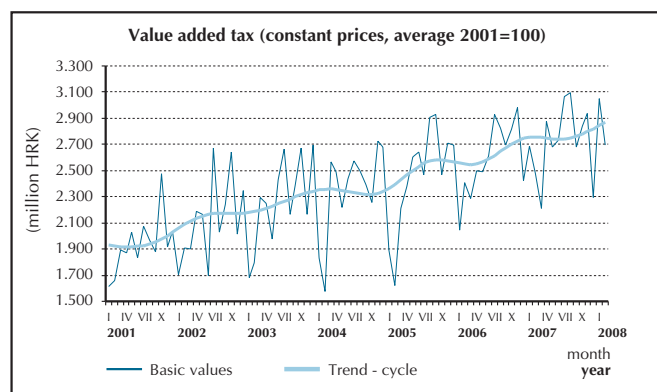
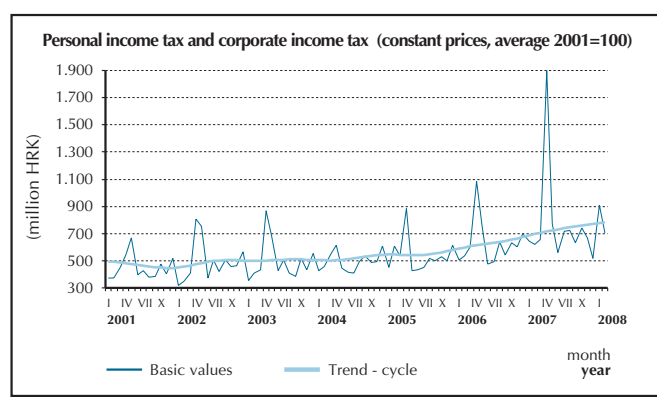
Revenues from profit tax amounted to HRK 1.5 billion with an annual growth rate of high 41.8 percent. They entirely refer to budgetary central government.

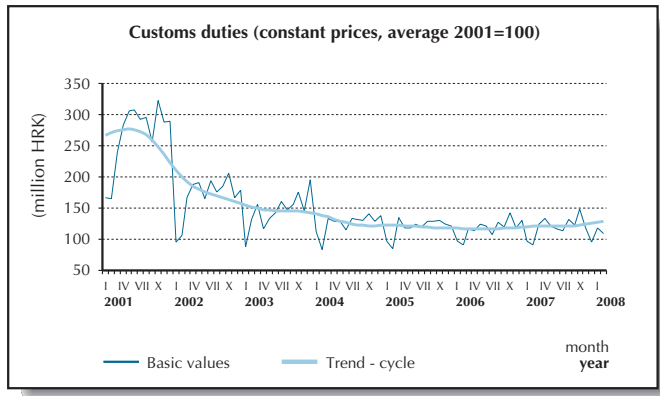
Revenues from taxes on property stood at the level of HRK 82.4 million and recorded an annual decrease of 1.3 percent.

Revenues from taxes on international trade and transactions fall entirely under the coverage of budgetary central government. They amounted to HRK 272.6 million which represents an annual rise of 26.9 percent.

Other taxes stood at the level of HRK 51.1 million.

Social contributions are the second most important revenue category of consolidated central government with 34 percent of total generated revenues. They amounted to HRK 6.6 billion which represents an annual increase of 12.9 percent. Within the structure of social contributions, the largest part refers to employer contributions (HRK 3.5 billion) and employee contributions (HRK 3 billion). The remaining HRK





121.3 million refers to contributions of self-employed and unemployed persons.

Grants were realized in the amount of HRK 58.4 million. The largest part of this amount (82.1 percent) refers to grants from international organizations, 14.6 percent refers to grants from other general government units and the remaining 3.3 percent refers to grants from foreign governments.

Other revenues amounted to HRK 1.6 billion which represents an annual growth of 15.4 percent. The largest part of other revenues was realized through sales of goods and services (47.7 percent), followed by miscellaneous and unidentified revenues (28.6 percent), property income (18.9 percent) and the rest of the collected sum refers to fines, penalties and forfeits and voluntary transfers other than grants. Sales of goods and services stood at HRK 749.3 million (annual growth of 26.1 percent), 96.6 percent of which refers to administrative fees. Miscellaneous and unidentified revenues were realized in the amount of HRK 450.2 million, which represents an annual rise of 12.7 percent. Property income amounted to HRK 297 million with an annual increase of 1.9 percent, while fines, penalties and forfeits stood at HRK 72.1 million with an annual growth of 5.1 percent.

## EXPENSE

Total expense of consolidated central government in January - February 2008 period amounted to HRK 17.3 billion which represents an annual increase of 4.4 percent. Observing consolidated central government according to government level, HRK 16.6 billion refers to budgetary central government and HRK 701.8 million to extrabudgetary funds and agencies.

The largest share of total expense of consolidated central government (45.1 percent) refers to social benefits, followed by compensation of employees (28.2 percent), interest (8.8 percent), use of goods and services (6.9 percent), subsidies (5.8 percent), other expense (3.3 percent) and grants (1.9 percent).

Social benefits stood at HRK 7.8 billion, representing an annual increase of 3.3 percent. Observing the structure of social benefits, 70.3 percent refers to social security benefits, 29.1 percent to social assistance benefits, while the remaining 0.7 percent refers to employer social benefits. Social benefits were mostly related to the following categories: expenses for pensions, health care system, maternity leave allowances, child allowance, expenses for unemployment etc. Expenses for pensions stood at the level of HRK 5.1 billion, whereat

HRK 2.3 billion refers to expenses for old age pensions, HRK 782.7 million refers to pensions for disabled persons, HRK 690.4 million to veterans' pensions and HRK 596.1 billion refers to family pensions. Expenses for healthcare system amounted to HRK 2.7 billion. Within their structure, expenses for hospital health care amounted to HRK 1.2 billion, for primary health care to HRK 487.4 million and expenses for medicaments on prescription amounted to HRK 353.6 million. Child allowance amounted to HRK 325 million, expenses for additional maternity leave to HRK 144.7 million and expenses for unemployment to HRK 150 million.

Compensation of employees stood at HRK 4.9 billion which represents an annual rise of 9.6 percent. This is the result of an increase in both wages and salaries (annual rise of 9.4 percent) and social contributions (annual rise of 10.4 percent). In absolute terms, wages and salaries amounted to HRK 4.1 billion and social contributions to HRK 751.9 million.

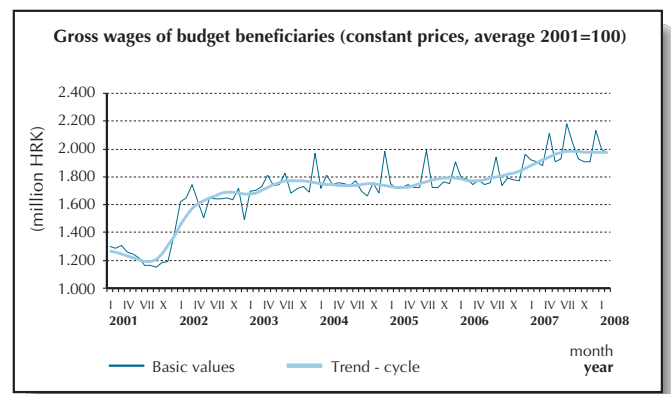
Expense for use of goods and services amounted to HRK 1.2 billion representing an annual decrease of 7.3 percent. Expense for use of goods and services refer mostly to different types of services like telephone service, post and transportation services etc.

Expense for subsidies stood at the level of HRK 997.3 million, 49 percent of which refers to subsidies to public corporations (in the amount of HRK 488.3 million) with their largest part being the subsidies to Croatian Railways (in the amount of HRK 281.7 million). Subsidies to private enterprises make the remaining 51 percent of total subsidies (in the amount of HRK 509.1 million).

Expense for interest payments amounted to HRK 1.5 billion. 36.6 percent of expense for interest payments refers to interests to residents, and the remaining 63.4 percent to interests to nonresidents. In absolute terms, interests to residents other than general government stood at HRK 555.3 million and interests to nonresidents at HRK 961 million.

Grants amounted to HRK 328.3 million. The largest part of that amount (HRK 220.7 million or 67.2 percent) refers to current grants to other general government units, 26.8 percent refers to capital grants to other general government units, 5.2 percent to current grants to international organizations and the remaining 0.8 percent refers to grants to foreign governments.

Other expenses stood at HRK 578.8 million which represents 8.2 percent of the planned amount for 2008. Among other expenses, current expenses amounted to HRK 340.6 million, capital expenses to HRK 236.9 million and the rest of the sum (HRK 1.2 million) refers to property expense other than interest.



## TRANSACTION IN NON-FINANCIAL ASSETS

In January - February 2008 period net acquisition of non-financial assets of consolidated central government amounted to HRK 658.5 million as the acquisition of non-financial assets (HRK 704.1 million) surpassed the disposal of non-financial assets (HRK 45.6 million). This amount accounts for 8.7 percent of the amount planned for 2008. The acquisition of non-financial assets refers mostly (89.5 percent) to acquisition of fixed assets, mainly buildings and structures. According to government level, 82.5 percent of total acquisition refers to extrabudgetary funds and agencies and the rest to budgetary central government. On the other hand, the disposal of non-financial assets refers mostly to disposals of fixed assets at the budgetary central government level.

## TRANSACTIONS IN FINANCIAL ASSETS

Net acquisition of financial assets of consolidated central government amounted to HRK 908.1 million solely as a result of an increase in domestic financial assets. Currency and deposits of consolidated central government have declined to HRK 879.2 million. According to government level, currency and deposits of budgetary central government amounted to HRK 1.1 billion and currency and deposits of extrabudgetary funds and agencies to HRK -194 million.

Net loans recorded a rise to HRK 34 million as a result of greater acquisitions (HRK 61.9 million) than disposals (HRK 27.9 million). According to government level, net loans of budgetary central government recorded an increase to HRK 4.2 million while the net loans of extrabudgetary funds and agencies rose to HRK 29.8 million. Furthermore, net shares and other equity amounted to HRK -5.1 million as a result of acquisitions in the amount of HRK 14 million and disposals in the amount of HRK 19.2 million. Net shares and other equity of budgetary central government recorded an increase to HRK 13.9 million, while the net shares and other equity of extrabudgetary funds and agencies recorded a decline to HRK 19 million.

## TRANSACTIONS IN LIABILITIES

Net incurrence of liabilities of consolidated central government amounted to HRK -468.5 million. Net domestic liabilities recorded a rise to HRK 15.4 million resulting from a decrease in net incurrence of liabilities on the basis of securities other than shares and an increase in net incurrence of liabilities on the basis of loans. Net incurrence of liabilities on the basis of securities other than shares amounted to HRK 279.2 million

as a result of repayments in the amount of HRK 124.1 million and incurrence of liabilities in the amount of HRK -155 million. Net domestic incurrence of liabilities on the basis of loans amounted to HRK 294.6 million as a result of repayments in the amount of HRK 46.5 million and incurrence of liabilities in the amount of HRK 341.1 million. The largest part of transactions in domestic liabilities took place at the budgetary central government level.

Net foreign liabilities of consolidated central government stood at the level of HRK -483.9 million as a result of a decrease in net incurrence of liabilities on the basis of loans, mostly at the budgetary central government level. Foreign repayments on the basis of loans amounted to HRK 568.5 million and incurrence of liabilities to HRK 84.5 million.

## NET LENDING/BORROWING

Net operating balance of consolidated central government, defined as the difference between total revenue and total expense, stood at the level of HRK 2 billion. By subtracting net acquisition of non-financial assets from net operating balance, a category of net lending/borrowing is obtained. In January - February 2008 period net lending/borrowing amounted to HRK 1.4 billion.

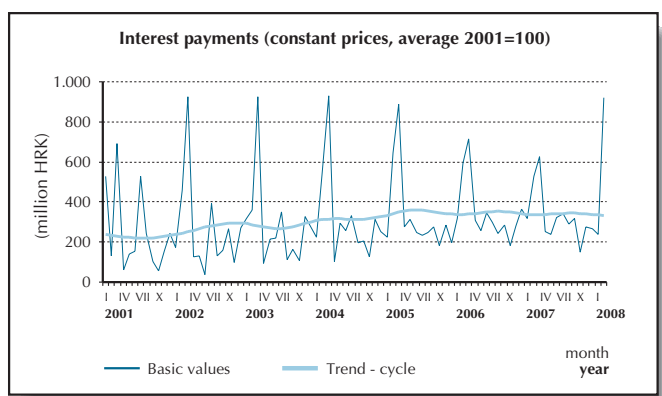


TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>85 653 010</b>	<b>95 235 557</b>	<b>108 320 595</b>	<b>23 851 140</b>	<b>27 711 935</b>	<b>28 742 434</b>	<b>28 015 085</b>	<b>115 611 755</b>	<b>18 615 434</b>	<b>8 765 529</b>	<b>16,10</b>
<b>11</b>	<b>Taxes (111+113+114+115+116)</b>	<b>50 687 564</b>	<b>58 469 091</b>	<b>64 234 530</b>	<b>14 017 755</b>	<b>17 286 246</b>	<b>17 074 213</b>	<b>15 856 315</b>	<b>69 524 081</b>	<b>11 121 692</b>	<b>5 181 556</b>	<b>16,00</b>
<b>111</b>	<b>Taxes of income and profits and capital gains (1111+1112)</b>	<b>7 057 112</b>	<b>8 515 615</b>	<b>10 589 083</b>	<b>2 188 372</b>	<b>3 729 640</b>	<b>2 392 630</b>	<b>2 278 441</b>	<b>11 567 474</b>	<b>1 942 053</b>	<b>847 676</b>	<b>16,79</b>
1111	Payable by individuals	3 106 476	3 459 649	1 772 708	543 857	100 460	512 363	616 028	1 927 399	417 889	209 426	21,68
1112	Payable by corporations and other enterprises	3 950 636	5 055 966	8 816 375	1 644 515	3 629 180	1 880 267	1 662 414	9 640 075	1 524 164	638 250	15,81
<b>113</b>	<b>Taxes on property</b>	<b>375 501</b>	<b>482 331</b>	<b>578 621</b>	<b>126 963</b>	<b>135 671</b>	<b>136 652</b>	<b>179 334</b>	<b>633 400</b>	<b>82 387</b>	<b>42 395</b>	<b>13,01</b>
<b>114</b>	<b>Taxes on goods and services (1141+...+1146)</b>	<b>41 323 002</b>	<b>47 546 223</b>	<b>51 099 930</b>	<b>11 263 242</b>	<b>12 906 488</b>	<b>14 045 023</b>	<b>12 885 177</b>	<b>55 385 894</b>	<b>8 773 550</b>	<b>4 134 296</b>	<b>15,84</b>
1141	General taxes on goods and services (11411+11412)	32 399 952	35 091 381	37 916 509	8 440 180	9 622 975	10 264 706	9 588 648	41 591 620	6 951 088	3 261 124	16,71
11411	Value-added taxes	32 243 372	34 931 750	37 747 987	8 399 864	9 578 712	10 221 678	9 547 734	41 408 125	6 923 761	3 246 911	16,72
11412	Sales taxes	156 580	159 631	168 522	40 316	44 264	43 027	40 915	183 496	27 327	14 213	14,89
1142	Excises (11421+11422+11423+11424+11425+11426+11427+11428)	8 177 659	11 564 709	12 168 666	2 620 967	3 037 455	3 518 737	2 991 506	12 673 301	1 664 091	796 113	13,13
11421	- on cars, other motor vehicles, boats and planes	1 080 926	1 270 422	1 433 427	336 254	405 715	347 942	343 516	1 497 932	215 700	118 145	14,40
11422	- on petroleum products	3 337 501	6 316 440	6 484 816	1 389 712	1 574 308	1 872 154	1 648 642	6 721 306	875 660	412 597	13,03
11423	- on alcohol	228 386	230 178	231 342	47 732	57 159	81 958	44 494	241 753	48 590	24 187	20,10
11424	- on beer	702 386	716 167	743 000	126 630	187 928	274 121	154 321	776 435	81 207	26 982	10,46
11425	- on nonalcoholic beverages	141 905	140 404	142 462	26 679	33 921	50 582	31 280	148 873	16 444	8 055	11,05
11426	- on tobacco products	2 518 801	2 710 348	2 943 649	649 797	734 127	841 391	718 334	3 077 071	397 829	194 036	12,93
11427	- on coffee	145 334	156 666	161 936	37 237	38 574	42 120	44 005	178 886	23 070	10 728	12,90
11428	- on luxury goods	22 420	24 084	28 033	6 927	5 724	8 468	6 914	31 046	5 591	1 383	18,01
<b>115</b>	<b>Taxes on international trade and transactions</b>	<b>1 562 930</b>	<b>1 588 456</b>	<b>1 641 478</b>	<b>357 299</b>	<b>430 257</b>	<b>426 464</b>	<b>427 459</b>	<b>1 689 802</b>	<b>272 586</b>	<b>130 698</b>	<b>16,13</b>
<b>116</b>	<b>Other taxes</b>	<b>369 019</b>	<b>336 466</b>	<b>325 418</b>	<b>81 879</b>	<b>84 192</b>	<b>73 444</b>	<b>85 903</b>	<b>247 512</b>	<b>51 116</b>	<b>26 491</b>	<b>20,65</b>
<b>12</b>	<b>Social contributions</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>37 203 486</b>	<b>8 741 858</b>	<b>9 302 667</b>	<b>9 612 662</b>	<b>9 546 298</b>	<b>40 721 779</b>	<b>6 563 641</b>	<b>3 177 745</b>	<b>16,12</b>
121	Social security contributions (1211+1212+1213+1214)	31 301 340	33 877 148	37 203 486	8 741 858	9 302 667	9 612 662	9 546 298	40 721 779	6 563 641	3 177 745	16,12
1211	Employee contributions	13 857 360	15 084 349	16 531 305	3 897 464	4 140 993	4 278 086	4 214 763	18 082 055	2 954 289	1 418 245	16,34
1212	Employer contributions	16 695 492	18 051 382	19 845 488	4 669 683	4 968 661	5 127 825	5 079 320	20 487 985	3 488 020	1 699 593	17,02
1213	Self-employed or unemployed contributions	748 487	741 418	826 692	174 712	193 013	206 751	252 216	2 151 740	121 332	59 907	5,64
1214	Unallocable contributions	0	0	0	0	0	0	0	0	0	0	
<b>13</b>	<b>Grants</b>	<b>27 505</b>	<b>195 984</b>	<b>428 038</b>	<b>12 330</b>	<b>102 253</b>	<b>83 696</b>	<b>229 760</b>	<b>909 451</b>	<b>49 849</b>	<b>16 447</b>	<b>5,48</b>
<b>14</b>	<b>Other revenue (141+142+143+144+145)</b>	<b>3 636 601</b>	<b>2 693 335</b>	<b>6 454 541</b>	<b>1 079 197</b>	<b>1 020 769</b>	<b>1 971 863</b>	<b>2 382 712</b>	<b>4 456 444</b>	<b>880 253</b>	<b>389 781</b>	<b>19,75</b>
<b>141</b>	<b>Property income (1411+1412+1413+1415)</b>	<b>2 226 647</b>	<b>832 400</b>	<b>3 526 540</b>	<b>207 803</b>	<b>310 753</b>	<b>1 246 882</b>	<b>1 761 102</b>	<b>1 198 856</b>	<b>180 016</b>	<b>144 766</b>	<b>15,02</b>
1411	Interest	62 784	108 232	164 558	65 872	26 931	21 802	49 953	177 491	66 026	60 920	37,20
1412	Dividends	1 123 346	17 835	1 194 582	16	86 916	1 079 977	27 674	20 000	466	0	2,33
1413	Withdrawals from income of quasi-corporations	192 516	288 113	117 730	0	104 840	12 523	368	400 000	78	21	0,02
1415	Rent	848 001	418 220	2 049 670	141 916	92 066	132 581	1 683 107	601 365	113 446	83 824	18,86
<b>142</b>	<b>Sales of goods and services (1422+1423)</b>	<b>782 428</b>	<b>1 209 296</b>	<b>1 526 646</b>	<b>401 891</b>	<b>391 403</b>	<b>396 422</b>	<b>336 930</b>	<b>1 544 334</b>	<b>338 523</b>	<b>122 104</b>	<b>21,92</b>
1421	Sales of market establishments	0	0	0	0	0	0	0	0	0	0	
1422	Administrative fees	397 066	821 741	1 318 050	342 440	341 192	353 916	280 503	1 458 200	315 205	109 187	21,62
1423	Incidental sales by nonmarket establishments	385 362	387 555	208 596	59 451	50 211	42 506	56 427	86 134	23 319	12 917	27,07
<b>143</b>	<b>Fines, penalties, and forfeits</b>	<b>360 707</b>	<b>391 616</b>	<b>429 034</b>	<b>107 144</b>	<b>107 640</b>	<b>109 270</b>	<b>104 980</b>	<b>448 340</b>	<b>72 055</b>	<b>38 101</b>	<b>16,07</b>
<b>144</b>	<b>Voluntary transfers other than grants</b>	<b>5 653</b>	<b>6 737</b>	<b>11 241</b>	<b>5 644</b>	<b>-184</b>	<b>1 451</b>	<b>4 330</b>	<b>7 125</b>	<b>287</b>	<b>287</b>	<b>4,03</b>
<b>145</b>	<b>Miscellaneous and unidentified revenue</b>	<b>261 166</b>	<b>253 286</b>	<b>961 080</b>	<b>356 716</b>	<b>211 157</b>	<b>217 838</b>	<b>175 370</b>	<b>1 257 789</b>	<b>289 371</b>	<b>84 524</b>	<b>23,01</b>

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>87 857 465</b>	<b>95 949 951</b>	<b>108 007 605</b>	<b>24 963 473</b>	<b>24 738 509</b>	<b>27 048 355</b>	<b>31 257 268</b>	<b>114 691 034</b>	<b>16 999 146</b>	<b>9 168 070</b>	<b>14,82</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>23 182 586</b>	<b>24 313 867</b>	<b>27 545 141</b>	<b>6 507 526</b>	<b>6 875 961</b>	<b>7 110 217</b>	<b>7 051 438</b>	<b>29 754 631</b>	<b>4 774 153</b>	<b>2 367 236</b>	<b>16,05</b>
211	Wages and salaries	19 699 216	20 663 890	23 237 088	5 509 421	5 867 563	5 853 724	6 006 380	25 276 655	4 036 589	2 002 944	15,97
212	Social contributions	3 483 370	3 649 977	4 308 053	998 105	1 008 397	1 256 493	1 045 058	4 477 976	737 564	364 291	16,47
<b>22</b>	<b>Use of goods and services</b>	<b>4 951 917</b>	<b>6 069 116</b>	<b>7 162 402</b>	<b>1 450 705</b>	<b>1 584 541</b>	<b>1 649 811</b>	<b>2 477 346</b>	<b>8 690 325</b>	<b>832 080</b>	<b>449 837</b>	<b>9,57</b>
<b>24</b>	<b>Interest (241+242+243)</b>	<b>4 387 010</b>	<b>4 713 615</b>	<b>4 535 008</b>	<b>1 680 283</b>	<b>936 070</b>	<b>1 099 955</b>	<b>818 700</b>	<b>4 957 284</b>	<b>1 394 867</b>	<b>1 105 770</b>	<b>28,14</b>
241	To nonresidents	2 053 588	1 863 999	1 672 563	966 120	355 550	190 488	160 406	1 645 151	865 968	771 655	52,64
242	To residents other than general government	2 333 422	2 849 616	2 862 444	714 163	580 520	909 467	658 294	3 312 133	528 899	334 116	15,97
<b>25</b>	<b>Subsidies (251+252)</b>	<b>5 248 744</b>	<b>5 670 789</b>	<b>6 492 010</b>	<b>1 652 902</b>	<b>1 265 675</b>	<b>1 561 834</b>	<b>2 011 599</b>	<b>7 146 181</b>	<b>996 120</b>	<b>636 611</b>	<b>13,94</b>
251	To public corporations	2 784 825	2 692 785	3 007 099	768 664	598 057	753 682	886 696	3 109 901	488 287	304 518	15,70
252	To private enterprises	2 463 919	2 978 004	3 484 912	884 238	667 618	808 152	1 124 903	4 036 280	507 833	332 093	12,58
<b>26</b>	<b>Grants (261+262+263)</b>	<b>3 796 847</b>	<b>6 652 994</b>	<b>8 363 202</b>	<b>1 217 303</b>	<b>1 432 151</b>	<b>1 713 360</b>	<b>4 000 388</b>	<b>7 480 456</b>	<b>717 954</b>	<b>343 491</b>	<b>9,60</b>
261	To foreign governments (2611+2612)	73 639	64 795	103 410	685	12 753	37 956	52 017	107 136	2 555	269	2,38
2611	Current	49 174	37 760	75 261	685	7 650	35 378	31 549	82 136	2 555	269	3,11
2612	Capital	24 465	27 035	28 149	0	5 103	2 578	20 468	25 000	0	0	0,00
262	To international organizations (2621+2622)	93 832	89 619	73 941	28 625	12 463	10 410	22 443	81 520	16 982	7 080	20,83
2621	Current	93 832	89 619	73 941	28 625	12 463	10 410	22 443	78 520	16 982	7 080	21,63
2622	Capital	0	0	0	0	0	0	0	3 000	0	0	0,00
263	To other general government units (2631+2632)	3 629 376	6 498 581	8 185 852	1 187 993	1 406 936	1 664 994	3 925 929	7 291 800	698 417	336 143	9,58
2631	Current	2 623 246	2 663 156	2 305 125	455 959	501 945	483 278	863 944	2 532 516	220 736	103 100	8,72
2632	Capital	1 006 130	3 835 425	5 880 726	732 035	904 991	1 181 716	3 061 985	4 759 284	477 682	233 043	10,04
<b>27</b>	<b>Social benefits (271+272+273)</b>	<b>41 358 455</b>	<b>43 444 589</b>	<b>48 175 989</b>	<b>11 556 319</b>	<b>11 410 432</b>	<b>12 723 374</b>	<b>12 485 864</b>	<b>50 502 528</b>	<b>7 788 079</b>	<b>3 941 126</b>	<b>15,42</b>
271	Social security benefits	29 308 716	30 535 396	34 167 894	8 143 186	8 057 629	9 242 698	8 724 380	35 618 679	5 473 445	2 776 219	15,37
272	Social assistance benefits	11 792 075	12 786 632	13 815 777	3 345 735	3 312 140	3 441 643	3 716 258	14 803 849	2 263 569	1 149 553	15,29
273	Employer social benefits	257 663	122 561	192 318	67 397	40 663	39 033	45 225	80 000	51 066	15 355	63,83
<b>28</b>	<b>Other expense (281+282)</b>	<b>4 931 907</b>	<b>5 084 980</b>	<b>5 733 853</b>	<b>898 437</b>	<b>1 233 678</b>	<b>1 189 805</b>	<b>2 411 932</b>	<b>6 159 631</b>	<b>495 893</b>	<b>323 999</b>	<b>8,05</b>
281	Property expense other than interest	4 920	7 600	1 132	1 226	676	578	-1 347	0	1 232	600	
282	Miscellaneous other expense (2821+2822)	4 926 987	5 077 381	5 732 721	897 211	1 233 003	1 189 228	2 413 279	6 159 631	494 661	323 399	8,03
2821	Current	2 154 806	2 304 214	2 837 557	474 697	657 747	663 904	1 041 209	2 676 314	332 576	211 325	12,43
2822	Capital	2 772 181	2 773 167	2 895 164	422 514	575 255	525 324	1 372 071	3 483 317	162 085	112 074	4,65

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



TABLE 4: TRANSACTIONS IN NONFINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>31</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 553 668</b>	<b>1 555 792</b>	<b>2 545 220</b>	<b>84 367</b>	<b>352 807</b>	<b>720 258</b>	<b>1 387 788</b>	<b>3 450 966</b>	<b>80 385</b>	<b>26 186</b>	<b>2,33</b>
<b>31,1</b>	<b>Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)</b>	<b>1 828 818</b>	<b>1 908 482</b>	<b>3 043 906</b>	<b>332 408</b>	<b>430 381</b>	<b>785 850</b>	<b>1 495 267</b>	<b>3 757 359</b>	<b>123 241</b>	<b>46 811</b>	<b>3,28</b>
<b>31,2</b>	<b>Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)</b>	<b>275 149</b>	<b>352 690</b>	<b>498 685</b>	<b>248 041</b>	<b>77 574</b>	<b>65 591</b>	<b>107 479</b>	<b>306 393</b>	<b>42 856</b>	<b>20 625</b>	<b>13,99</b>
<b>311</b>	<b>Fixed assets (3111+3112+3113)</b>	<b>1 516 968</b>	<b>1 595 121</b>	<b>2 625 692</b>	<b>249 141</b>	<b>333 946</b>	<b>705 830</b>	<b>1 336 775</b>	<b>3 240 007</b>	<b>77 768</b>	<b>24 719</b>	<b>2,40</b>
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 781 347	1 844 783	2 906 863	319 581	401 007	766 866	1 419 409	3 521 600	118 656	44 693	3,37
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	264 379	249 663	281 171	70 440	67 061	61 036	82 635	281 593	40 888	19 974	14,52
<b>3111</b>	<b>Buildings and structures (3111,1-3111,2)</b>	<b>867 663</b>	<b>831 377</b>	<b>1 154 132</b>	<b>105 825</b>	<b>179 963</b>	<b>232 802</b>	<b>635 541</b>	<b>1 486 303</b>	<b>-9 832</b>	<b>1 844</b>	<b>-0,66</b>
3111,1	Acquisitions: buildings and structures	1 131 302	1 080 074	1 423 340	175 062	246 166	293 633	708 479	1 756 160	30 148	21 733	1,72
3111,2	Disposals: buildings and structures	263 639	248 698	269 208	69 237	66 203	60 830	72 938	269 857	39 980	19 889	14,82
<b>3112</b>	<b>Machinery and equipment (3112,1-3112,2)</b>	<b>557 320</b>	<b>656 733</b>	<b>1 338 275</b>	<b>131 215</b>	<b>133 891</b>	<b>453 292</b>	<b>619 879</b>	<b>1 535 696</b>	<b>84 514</b>	<b>21 504</b>	<b>5,50</b>
3112,1	Acquisitions: machinery and equipment	558 060	657 696	1 350 238	132 418	134 748	453 497	629 575	1 547 432	85 422	21 589	5,52
3112,2	Disposals: machinery and equipment	740	964	11 963	1 203	858	205	9 697	11 736	909	84	7,74
<b>3113</b>	<b>Other fixed assets (3113,1-3113,2)</b>	<b>91 986</b>	<b>107 011</b>	<b>133 285</b>	<b>12 101</b>	<b>20 093</b>	<b>19 736</b>	<b>81 355</b>	<b>218 008</b>	<b>3 086</b>	<b>1 371</b>	<b>1,42</b>
3113,1	Acquisitions: other fixed assets	91 986	107 012	133 285	12 101	20 093	19 736	81 355	218 008	3 086	1 371	1,42
3113,2	Disposals: other fixed assets	0	1	0	0	0	0	0	0	0	0	
<b>312</b>	<b>Inventories</b>	<b>0</b>	<b>-80 226</b>	<b>-161 383</b>	<b>-173 789</b>	<b>-1 891</b>	<b>-1 900</b>	<b>16 197</b>	<b>19 200</b>	<b>-180</b>	<b>-150</b>	
312,1	Acquisitions: inventories	0	1 048	36 574	601	1 694	530	33 749	24 000	0	0	0,00
312,2	Disposals: inventories	0	81 274	197 957	174 390	3 586	2 429	17 552	4 800	180	150	3,74
<b>313</b>	<b>Valuables (313,1-313,2)</b>	<b>7 220</b>	<b>7 826</b>	<b>9 620</b>	<b>1 256</b>	<b>4 416</b>	<b>1 387</b>	<b>2 562</b>	<b>6 158</b>	<b>1 300</b>	<b>1 158</b>	<b>21,11</b>
313,1	Acquisitions: valuables	7 220	7 826	9 620	1 256	4 416	1 387	2 562	6 158	1 300	1 158	21,11
313,2	Disposals: valuables	0	0	0	0	0	0	0	0	0	0	
<b>314</b>	<b>Nonproduced assets (314,1-314,2-314,3-314,4)</b>	<b>29 480</b>	<b>33 072</b>	<b>71 291</b>	<b>7 759</b>	<b>16 336</b>	<b>14 941</b>	<b>32 254</b>	<b>185 601</b>	<b>1 497</b>	<b>459</b>	<b>0,81</b>
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	40 251	54 826	90 848	10 970	23 264	17 068	39 546	205 601	3 285	961	1,60
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	10 771	21 754	19 557	3 211	6 928	2 127	7 292	20 000	1 788	502	8,94
<b>3141</b>	<b>Land (3141,1-3141,2)</b>	<b>-10 282</b>	<b>-21 650</b>	<b>-19 492</b>	<b>-3 183</b>	<b>-6 890</b>	<b>-2 127</b>	<b>-7 292</b>	<b>-18 010</b>	<b>-1 788</b>	<b>-502</b>	<b>9,93</b>
3141,1	Acquisitions: land	489	81	58	28	29	0	0	1 990	0	0	0,00
3141,2	Disposals: land	10 771	21 732	19 549	3 211	6 919	2 127	7 292	20 000	1 788	502	8,94
<b>3142</b>	<b>Subsoil assets</b>	<b>0</b>	<b>-22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
3142,1	Acquisitions: subsoil assets	0	0	0	0	0	0	0	0	0	0	
3142,2	Disposals: subsoil assets	0	22	0	0	0	0	0	0	0	0	
<b>3143</b>	<b>Other naturally occurring assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>3144</b>	<b>Intangible nonproduced assets (3144,1-3144,2)</b>	<b>39 762</b>	<b>54 744</b>	<b>90 782</b>	<b>10 942</b>	<b>23 227</b>	<b>17 068</b>	<b>39 546</b>	<b>203 611</b>	<b>3 285</b>	<b>961</b>	<b>1,61</b>
3144,1	Acquisitions: intangible nonproduced assets	39 762	54 744	90 790	10 942	23 235	17 068	39 546	203 611	3 285	961	1,61
3144,2	Disposals: intangible nonproduced assets	0	0	8	0	8	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 5: TRANSACTIONS IN FINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X -XII 2007	Plan 2008	I - II 2008	II 2008
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>1 752 825</b>	<b>-3 047 174</b>	<b>-3 734 781</b>	<b>345 952</b>	<b>897 297</b>	<b>574 909</b>	<b>-5 552 939</b>	<b>-54 376</b>	<b>1 091 319</b>	<b>-84 821</b>
<b>32,1 Acquisition of financial assets (321,1+322,1)</b>	<b>1 264 131</b>	<b>1 285 738</b>	<b>1 081 740</b>	<b>247 097</b>	<b>213 744</b>	<b>165 651</b>	<b>455 248</b>	<b>1 184 624</b>	<b>45 045</b>	<b>33 730</b>
<b>32,2 Disposals of financial assets (321,2+322,2)</b>	<b>199 491</b>	<b>2 883 242</b>	<b>3 094 930</b>	<b>124 318</b>	<b>54 886</b>	<b>38 541</b>	<b>2 877 185</b>	<b>1 239 000</b>	<b>26 960</b>	<b>9 155</b>
<b>Currency and deposits (3212+3222)</b>	<b>688 185</b>	<b>-1 449 670</b>	<b>-1 721 591</b>	<b>223 173</b>	<b>738 439</b>	<b>447 799</b>	<b>-3 131 002</b>	<b>0</b>	<b>1 073 234</b>	<b>-109 397</b>
<b>321 Domestic (3212+3213+3214+3215+3216+3217+3218)</b>	<b>1 757 681</b>	<b>-3 063 855</b>	<b>-3 752 817</b>	<b>345 952</b>	<b>889 264</b>	<b>574 909</b>	<b>-5 562 941</b>	<b>-66 837</b>	<b>1 091 319</b>	<b>-84 821</b>
<b>321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)</b>	<b>1 261 432</b>	<b>1 269 058</b>	<b>1 063 704</b>	<b>247 097</b>	<b>205 711</b>	<b>165 651</b>	<b>445 246</b>	<b>1 172 163</b>	<b>45 045</b>	<b>33 730</b>
<b>321,2 Disposals of domestic financial assets (3213,2+...+3218,2)</b>	<b>191 935</b>	<b>2 883 242</b>	<b>3 094 930</b>	<b>124 318</b>	<b>54 886</b>	<b>38 541</b>	<b>2 877 185</b>	<b>1 239 000</b>	<b>26 960</b>	<b>9 155</b>
3212 Currency and deposits	688 185	-1 449 670	-1 721 591	223 173	738 439	447 799	-3 131 002	0	1 073 234	-109 397
3213 Securities other than shares (3213,1-3213,2)	0	0	0	0	0	0	0	0	0	0
3213,1 Acquisition: Securities other than shares	0	0	0	0	0	0	0	0	0	0
3213,2 Disposals: Securities other than shares	0	0	0	0	0	0	0	0	0	0
3214 Loans (3214,1-3214,2)	847 590	832 321	674 350	169 587	96 882	116 120	291 761	555 663	4 196	10 541
3214,1 Acquisition: Loans	1 026 367	1 037 701	837 699	202 097	151 701	154 661	329 241	744 663	31 010	19 695
3214,2 Disposals: Loans	178 776	205 380	163 350	32 510	54 819	38 541	37 479	189 000	26 814	9 155
3215 Shares and other equity (3215,1-3215,2)	221 906	-2 446 505	-2 705 576	-46 808	53 943	10 990	-2 723 701	-622 500	13 890	14 035
3215,1 Acquisition: Shares and other equity	235 065	231 357	226 005	45 000	54 010	10 990	116 005	427 500	14 035	14 035
3215,2 Disposals: Shares and other equity	13 159	2 677 862	2 931 581	91 808	67	0	2 839 706	1 050 000	145	0
<b>322 Foreign (3222+3223+3224+3225+3226+3227+3228)</b>	<b>-4 857</b>	<b>16 681</b>	<b>18 036</b>	<b>0</b>	<b>8 033</b>	<b>0</b>	<b>10 003</b>	<b>12 461</b>	<b>0</b>	<b>0</b>
<b>322,1 Acquisition of foreign financial assets (3223,1+...+3228,1)</b>	<b>2 699</b>	<b>16 681</b>	<b>18 036</b>	<b>0</b>	<b>8 033</b>	<b>0</b>	<b>10 003</b>	<b>12 461</b>	<b>0</b>	<b>0</b>
<b>322,2 Disposals of foreign financial assets (3223,2+...+3228,2)</b>	<b>7 556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3222 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3225 Shares and other equity (3225,1-3225,2)	-4 857	16 681	18 036	0	8 033	0	10 003	12 461	0	0
3225,1 Acquisition: Shares and other equity	2 699	16 681	18 036	0	8 033	0	10 003	12 461	0	0
3225,2 Disposals: Shares and other equity	7 556	0	0	0	0	0	0	0	0	0
<b>323 Monetary gold and SDRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

**TABLE 6: TRANSACTIONS IN LIABILITIES OF BUDGETARY CENTRAL GOVERNMENT**

(000 HRK)	2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>5 510 948</b>	<b>-776 988</b>	<b>-1 502 551</b>	<b>1 542 653</b>	<b>-1 723 323</b>	<b>-398 912</b>	<b>-922 969</b>	<b>2 475 868</b>	<b>-444 584</b>	<b>343 906</b>
<b>33,1 Repayments (331,1+332,1)</b>	<b>10 253 489</b>	<b>10 056 697</b>	<b>8 333 537</b>	<b>821 372</b>	<b>1 129 621</b>	<b>5 489 404</b>	<b>893 140</b>	<b>8 105 216</b>	<b>641 902</b>	<b>166 720</b>
<b>33,2 Incurrences (331,2+332,2)</b>	<b>15 764 437</b>	<b>9 279 708</b>	<b>6 830 986</b>	<b>2 364 024</b>	<b>-593 702</b>	<b>5 090 492</b>	<b>-29 829</b>	<b>10 581 085</b>	<b>197 318</b>	<b>510 626</b>
<b>Currency and deposits (3312+3322)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>331 Domestic (3312+3313+3314+3316+3317+3318)</b>	<b>10 591 560</b>	<b>3 166 260</b>	<b>1 477 615</b>	<b>2 114 689</b>	<b>-1 429 551</b>	<b>1 717 456</b>	<b>-924 979</b>	<b>-1 699 709</b>	<b>22 472</b>	<b>343 611</b>
<b>331,1 Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)</b>	<b>4 389 323</b>	<b>4 250 184</b>	<b>4 604 573</b>	<b>249 335</b>	<b>651 967</b>	<b>3 174 155</b>	<b>529 116</b>	<b>4 699 709</b>	<b>163 573</b>	<b>158 254</b>
<b>331,2 Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)</b>	<b>14 980 882</b>	<b>7 416 444</b>	<b>6 082 188</b>	<b>2 364 024</b>	<b>-777 584</b>	<b>4 891 611</b>	<b>-395 863</b>	<b>3 000 000</b>	<b>186 046</b>	<b>501 865</b>
3312 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3313 Securities other than shares (3313,2-3313,1)	9 636 343	5 648 934	3 520 136	3 256 264	-747 209	-817 313	1 828 394	-662 562	-279 151	28 985
3313,1 Repayments: Securities other than shares	2 844 601	550 859	3 513 172	118 211	172 524	3 043 639	178 798	3 662 562	124 128	124 128
3313,2 Incurrences: Securities other than shares	12 480 944	6 199 793	7 033 308	3 374 475	-574 686	2 226 326	2 007 191	3 000 000	-155 023	153 113
3314 Loans (3314,2-3314,1)	955 217	-2 482 674	-2 042 521	-1 141 575	-682 342	2 534 768	-2 753 372	-1 037 147	301 624	314 626
3314,1 Repayments: Loans	1 544 722	3 699 325	1 091 402	131 124	479 443	130 516	350 318	1 037 147	39 445	34 126
3314,2 Incurrences: Loans	2 499 938	1 216 651	-951 119	-1 010 451	-202 899	2 665 285	-2 403 054	0	341 069	348 752
<b>332 Foreign (3322+3323+3324+3326+3327+3328)</b>	<b>-5 080 612</b>	<b>-3 943 248</b>	<b>-2 980 166</b>	<b>-572 037</b>	<b>-293 772</b>	<b>-2 116 367</b>	<b>2 010</b>	<b>4 175 577</b>	<b>-467 056</b>	<b>296</b>
<b>332,1 Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)</b>	<b>5 864 167</b>	<b>5 806 513</b>	<b>3 728 963</b>	<b>572 037</b>	<b>477 654</b>	<b>2 315 249</b>	<b>364 024</b>	<b>3 405 507</b>	<b>478 329</b>	<b>8 466</b>
<b>332,2 Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)</b>	<b>783 554</b>	<b>1 863 264</b>	<b>748 798</b>	<b>0</b>	<b>183 882</b>	<b>198 881</b>	<b>366 034</b>	<b>7 581 085</b>	<b>11 272</b>	<b>8 761</b>
3322 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3323 Securities other than shares (3323,2-3323,1)	-3 713 935	-3 480 781	-1 757 723	0	0	-1 757 723	0	4 250 000	0	0
3323,1 Repayments: Securities other than shares	3 713 935	3 480 781	1 757 723	0	0	1 757 723	0	1 250 000	0	0
3323,2 Incurrences: Securities other than shares	0	0	0	0	0	0	0	5 500 000	0	0
3324 Loans (3324,2-3324,1)	-1 366 677	-462 468	-1 222 442	-572 037	-293 772	-358 644	2 010	-74 423	-467 056	296
3324,1 Repayments: Loans	2 150 232	2 325 732	1 971 240	572 037	477 654	557 525	364 024	2 155 507	478 329	8 466
3324,2 Incurrences: Loans	783 554	1 863 264	748 798	0	183 882	198 881	366 034	2 081 085	11 272	8 761

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

**TABLE 7: TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES, BY SECTORS**

(000 HRK)	I - II 2008		
	Budgetary Central Government	Extrabudgetary users	Consolidated Central Government
<b>82 (=32) NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>1 091 319</b>	<b>-183 230</b>	<b>908 089</b>
Acquisition of financial assets	1 569 517	-163 078	1 406 439
Disposals of financial assets	478 198	20 152	498 350
<b>821 (=321) Domestic</b>	<b>1 091 319</b>	<b>-183 230</b>	<b>908 089</b>
Acquisition of domestic financial assets	1 569 517	-163 078	1 406 439
Disposals of domestic financial assets	478 198	20 152	498 350
8211 General government	0	0	0
Acquisitions: General Government	0	0	0
Disposals: General Government	0	0	0
8212 Central bank	264 764	0	264 764
Acquisitions: Central bank	264 764	0	264 764
Disposals: Central bank	0	0	0
8213 Other depository institutions	808 470	-193 993	614 477
Acquisitions: Other depository institutions	1 259 708	-193 993	1 065 715
Disposals: Other depository institutions	451 238	0	451 238
8215 Nonfinancial institutions	17 379	10 763	28 142
Acquisitions: Nonfinancial institutions	37 507	30 915	68 422
Disposals: Nonfinancial institutions	20 128	20 152	40 280
8216 Households and nonprofit institutions serving households	706	0	706
Acquisitions: Hholds and nonprofit institutions serving hholds	7 538	0	7 538
Disposals: Hholds and nonprofit institutions serving hholds	6 832	0	6 832
<b>822 (=322) Foreign</b>	<b>0</b>	<b>0</b>	<b>0</b>
Acquisition of foreign financial assets	0	0	0
Disposals of foreign financial assets	0	0	0
8227 International organizations	0	0	0
Acquisitions: International organizations	0	0	0
Disposals: International organizations	0	0	0
8229 Other nonresidents	0	0	0
Acquisitions: Other nonresidents	0	0	0
Disposals: Other nonresidents	0	0	0
<b>83 (=33) NET INCURRENCE OF LIABILITIES</b>	<b>-444 584</b>	<b>-23 933</b>	<b>-468 517</b>
Repayments: liabilities	641 902	97 207	739 109
Incurrences: liabilities	197 318	73 274	270 592
<b>831 (=331) Domestic</b>	<b>22 472</b>	<b>-7 042</b>	<b>15 430</b>
Repayments: domestic liabilities	163 573	7 042	170 615
Incurrences: domestic liabilities	186 046	0	186 046
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository institutions	15 905	-7 042	8 863
Repayments: Other depository institutions	163 088	7 042	170 130
Incurrences: Other depository institutions	178 992	0	178 992
8314 Financial institutions not elsewhere classified	7 053	0	7 053
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	7 053	0	7 053
8315 Nonfinancial institutions	-486	0	-486
Repayments: Nonfinancial institutions	486	0	486
Incurrences: Nonfinancial institutions	0	0	0
<b>832 (=332) Foreign</b>	<b>-467 056</b>	<b>-16 891</b>	<b>-483 947</b>
Repayments: foreign liabilities	478 329	90 165	568 494
Incurrences: foreign liabilities	11 272	73 274	84 546
8321 General government	-205 017	0	-205 017
Repayments: General Government	205 017	0	205 017
Incurrences: General Government	0	0	0
8327 International organizations	-35 837	0	-35 837
Repayments: International organizations	47 109	0	47 109
Incurrences: International organizations	11 272	0	11 272
8328 Financial institutions other than international organizations	-226 203	-16 891	-243 094
Repayments: Financial institutions other than international organizations	226 203	90 165	316 368
Incurrences: Financial institutions other than international organizations	0	73 274	73 274
8329 Other nonresidents	0	0	0
Repayments: Other nonresidents	0	0	0
Incurrences: Other nonresidents	0	0	0

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

**TABLE 8: STATEMENT OF BUDGETARY CENTRAL GOVERNMENT OPERATIONS**

(000 HRK)	2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008
<b>TRANSACTIONS AFFECTING NET WORTH</b>										
<b>1 REVENUE (11+12+13+14)</b>	<b>85 653 010</b>	<b>95 235 557</b>	<b>108 320 595</b>	<b>23 851 140</b>	<b>27 711 935</b>	<b>28 742 434</b>	<b>28 015 085</b>	<b>115 611 755</b>	<b>18 615 434</b>	<b>8 765 529</b>
11 Taxes	50 687 564	58 469 091	64 234 530	14 017 755	17 286 246	17 074 213	15 856 315	69 524 081	11 121 692	5 181 556
12 Social contributions	31 301 340	33 877 148	37 203 486	8 741 858	9 302 667	9 612 662	9 546 298	40 721 779	6 563 641	3 177 745
13 Grants	27 505	195 984	428 038	12 330	102 253	83 696	229 760	909 451	49 849	16 447
14 Other revenue	3 636 601	2 693 335	6 454 541	1 079 197	1 020 769	1 971 863	2 382 712	4 456 444	880 253	389 781
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>87 857 465</b>	<b>95 949 951</b>	<b>108 007 605</b>	<b>24 963 473</b>	<b>24 738 509</b>	<b>27 048 355</b>	<b>31 257 268</b>	<b>114 691 034</b>	<b>16 999 146</b>	<b>9 168 070</b>
21 Compensation of employees	23 182 586	24 313 867	27 545 141	6 507 526	6 875 961	7 110 217	7 051 438	29 754 631	4 774 153	2 367 236
22 Use of goods and services	4 951 917	6 069 116	7 162 402	1 450 705	1 584 541	1 649 811	2 477 346	8 690 325	832 080	449 837
24 Interest	4 387 010	4 713 615	4 535 008	1 680 283	936 070	1 099 955	818 700	4 957 284	1 394 867	1 105 770
25 Subsidies	5 248 744	5 670 789	6 492 010	1 652 902	1 265 675	1 561 834	2 011 599	7 146 181	996 120	636 611
26 Grants	3 796 847	6 652 994	8 363 202	1 217 303	1 432 151	1 713 360	4 000 388	7 480 456	717 954	343 491
27 Social benefits	41 358 455	43 444 589	48 175 989	11 556 319	11 410 432	12 723 374	12 485 864	50 502 528	7 788 079	3 941 126
28 Other expense	4 931 907	5 084 980	5 733 853	898 437	1 233 678	1 189 805	2 411 932	6 159 631	495 893	323 999
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>-2 204 455</b>	<b>-714 394</b>	<b>312 990</b>	<b>-1 112 333</b>	<b>2 973 426</b>	<b>1 694 079</b>	<b>-3 242 182</b>	<b>920 721</b>	<b>1 616 288</b>	<b>-402 541</b>
<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>-2 204 455</b>	<b>-714 394</b>	<b>312 990</b>	<b>-1 112 333</b>	<b>2 973 426</b>	<b>1 694 079</b>	<b>-3 242 182</b>	<b>920 721</b>	<b>1 616 288</b>	<b>-402 541</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>										
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 553 668</b>	<b>1 555 792</b>	<b>2 545 220</b>	<b>84 367</b>	<b>352 807</b>	<b>720 258</b>	<b>1 387 788</b>	<b>3 450 966</b>	<b>80 385</b>	<b>26 186</b>
311 Fixed assets	1 516 968	1 595 121	2 625 692	249 141	333 946	705 830	1 336 775	3 240 007	77 768	24 719
312 Change in inventories	0	-80 226	-161 383	-173 789	-1 891	-1 900	16 197	19 200	-180	-150
313 Valuables	7 220	7 826	9 620	1 256	4 416	1 387	2 562	6 158	1 300	1 158
314 Nonproduced assets	29 480	33 072	71 291	7 759	16 336	14 941	32 254	185 601	1 497	459
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-3 758 123</b>	<b>-2 270 186</b>	<b>-2 232 230</b>	<b>-1 196 700</b>	<b>2 620 619</b>	<b>973 821</b>	<b>-4 629 970</b>	<b>-2 530 245</b>	<b>1 535 903</b>	<b>-428 727</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>										
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)</b>	<b>1 752 825</b>	<b>-3 047 174</b>	<b>-3 734 781</b>	<b>345 952</b>	<b>897 297</b>	<b>574 909</b>	<b>-5 552 939</b>	<b>-54 376</b>	<b>1 091 319</b>	<b>-84 821</b>
321 Domestic	1 757 681	-3 063 855	-3 752 817	345 952	889 264	574 909	-5 562 941	-66 837	1 091 319	-84 821
322 Foreign	-4 857	16 681	18 036	0	8 033	0	10 003	12 461	0	0
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>5 510 948</b>	<b>-776 988</b>	<b>-1 502 551</b>	<b>1 542 653</b>	<b>-1 723 323</b>	<b>-398 912</b>	<b>-922 969</b>	<b>2 475 868</b>	<b>-444 584</b>	<b>343 906</b>
331 Domestic	10 591 560	3 166 260	1 477 615	2 114 689	-1 429 551	1 717 456	-924 979	-1 699 709	22 472	343 611
332 Foreign	-5 080 612	-3 943 248	-2 980 166	-572 037	-293 772	-2 116 367	2 010	4 175 577	-467 056	296

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

TABLE 8A: OPERATING BALANCE AND PRIMARY OPERATING BALANCE (000 HRK)

	Revenues (1)	Expenditures (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
II 2006	7 066 393	7 834 015	-767 622	668 364	-99 258
III	7 356 824	8 047 760	-690 936	803 473	112 537
IV	8 303 060	8 100 571	202 490	347 470	549 960
V	7 959 006	7 639 665	319 341	290 237	609 578
VI	7 864 588	7 463 219	401 370	361 062	762 431
VII	8 301 280	7 890 702	410 578	362 665	773 243
VIII	8 465 491	7 701 843	763 647	273 643	1 037 290
IX	8 054 253	7 741 990	312 263	319 183	631 446
X	8 363 146	8 176 028	187 118	203 148	390 266
XI	8 406 749	7 993 898	412 850	318 984	731 834
XII	8 362 630	9 903 664	-1 541 034	413 083	-1 127 951
I-XII 2006	95 235 856	95 871 899	-636 043	4 713 615	4 077 573
I 2007	8 250 839	7 726 608	524 231	362 483	886 715
II	7 797 109	8 533 344	-736 235	602 320	-133 914
III	7 803 192	8 703 522	-900 330	715 479	-184 851
IV	10 346 796	8 511 501	1 835 294	291 798	2 127 093
V	8 757 769	8 076 340	681 429	273 681	955 110
VI	8 607 371	8 150 668	456 703	370 591	827 293
VII	9 334 284	8 599 048	735 236	392 963	1 128 199
VIII	9 705 393	9 442 172	263 221	333 341	596 562
IX	9 702 758	9 007 136	695 622	373 651	1 069 273
X	9 210 339	9 154 836	55 504	174 608	230 111
XI	9 034 618	9 774 376	-739 758	324 737	-415 021
XII	9 770 129	12 328 056	-2 557 928	319 355	-2 238 573
I-XII 2007	108 320 595	108 007 605	312 990	4 535 008	4 847 997
I 2008	9 849 906	7 831 076	2 018 830	289 097	2 307 927
II	8 765 529	9 168 070	-402 541	1 105 770	703 229
I-II 2008	18 615 434	16 999 146	1 616 288	1 394 867	3 011 156

Note: See notes on methodology

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

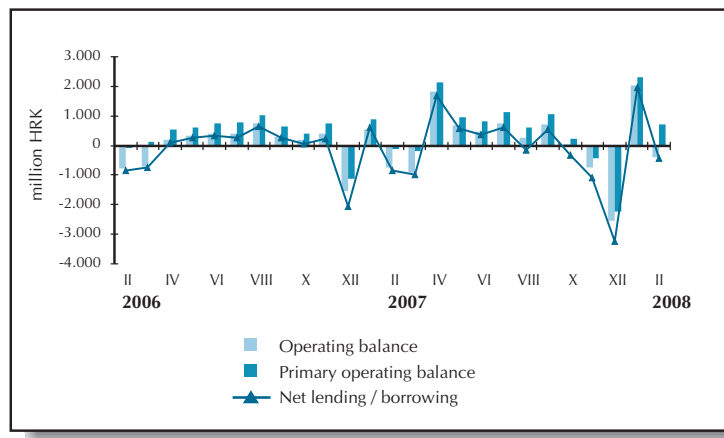


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	Operating balance	Net nonfinancial assets (31)	Net lending/ borrowing*	Financing (33-32)	Net financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
II 2006	-767 622	66 960	-834 582	834 582	-451 110	383 472
III	-690 936	60 559	-751 495	751 495	-308 662	442 833
IV	202 490	111 293	-91 197	-91 197	-52 317	-143 513
V	319 341	66 835	252 507	-252 507	189 990	-62 516
VI	401 370	60 378	340 991	-340 991	-122 414	-463 405
VII	410 578	153 857	256 721	-256 721	49 976	-206 745
VIII	763 647	117 573	646 075	-646 075	435 927	-210 148
IX	312 263	50 598	261 665	-261 665	-218 017	-479 682
X	187 118	138 082	49 037	-49 037	80 804	31 767
XI	412 850	178 288	234 563	-234 563	652 822	418 259
XII	-1 541 034	512 635	-2 053 669	2 053 669	-3 468 424	-1 414 755
I-XII 2006	-636 043	1 555 792	-2 191 835	2 191 835	-2 968 831	-776 996
I 2007	524 231	-81 868	606 100	-606 100	150 000	-456 099
II	-736 235	96 780	-833 015	833 015	981 566	1 814 581
III	-900 330	69 455	-969 785	969 785	-785 614	184 171
IV	1 835 294	139 868	1 695 426	-1 695 426	1 306 773	-388 654
V	681 429	106 710	574 719	-574 719	-176 337	-751 056
VI	456 703	106 229	350 474	-350 474	-233 139	-583 613
VII	735 236	122 206	613 030	-613 030	-683 706	-1 296 737
VIII	263 221	430 038	-166 817	166 817	568 214	735 031
IX	695 622	168 015	527 607	-527 607	690 402	162 795
X	55 504	384 546	-329 042	329 042	-1 177 477	-848 434
XI	-739 758	338 170	-1 077 928	1 077 928	-1 371 972	-294 044
XII	-2 557 928	665 072	-3 223 000	3 223 000	-3 003 491	219 509
I-XII 2007	312 990	2 545 220	-2 232 230	2 232 230	-3 734 781	-1 502 551
I 2008	2 018 830	54 199	1 964 631	-1 964 631	1 176 140	-788 490
II	-402 541	26 186	-428 727	428 727	-84 821	343 906
I-II 2008	1 616 288	80 385	1 535 903	-1 535 903	1 091 319	-444 584

\* GFS 2001

Note: See notes on methodology

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X-XII 2007	Plan 2008	I - II 2008	II 2008	I - II 200 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 715 607</b>	<b>1 971 613</b>	<b>2 507 327</b>	<b>430 742</b>	<b>494 590</b>	<b>657 402</b>	<b>924 593</b>	<b>2 319 490</b>	<b>241 754</b>	<b>134 893</b>	<b>10,42</b>
<b>11</b>	<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+132+133)</b>	<b>487 813</b>	<b>444 762</b>	<b>542 884</b>	<b>39 575</b>	<b>41 090</b>	<b>141 550</b>	<b>320 669</b>	<b>485 700</b>	<b>18 358</b>	<b>9 062</b>	<b>3,78</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	18 197	0	3 501	6 965	7 731	20 000	0	0	0,00
133	From other general government units (1331+1332)	487 813	444 762	524 687	39 575	37 589	134 585	312 938	465 700	18 358	9 062	3,94
1331	Current	203 499	89 259	3 643	0	0	0	3 643	3 750	0	0	0,00
1332	Capital	284 314	355 503	521 044	39 575	37 589	134 585	309 295	461 950	18 358	9 062	3,97
<b>14</b>	<b>Other revenue</b>	<b>1 227 794</b>	<b>1 526 851</b>	<b>1 964 443</b>	<b>391 167</b>	<b>453 500</b>	<b>515 852</b>	<b>603 924</b>	<b>1 833 790</b>	<b>223 396</b>	<b>125 831</b>	<b>12,18</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 489 465</b>	<b>1 779 088</b>	<b>2 108 778</b>	<b>332 546</b>	<b>378 906</b>	<b>554 351</b>	<b>842 975</b>	<b>1 955 805</b>	<b>165 905</b>	<b>28 244</b>	<b>8,48</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>99 418</b>	<b>111 293</b>	<b>121 767</b>	<b>27 911</b>	<b>29 523</b>	<b>28 583</b>	<b>35 750</b>	<b>142 600</b>	<b>19 719</b>	<b>10 417</b>	<b>13,83</b>
211	Wages and salaries	85 524	96 298	104 720	24 167	25 295	24 488	30 770	122 600	16 920	8 938	13,80
212	Social contributions	13 894	14 995	17 047	3 744	4 228	4 095	4 980	20 000	2 799	1 479	14,00
<b>22</b>	<b>Use of goods and services</b>	<b>790 683</b>	<b>1 072 478</b>	<b>1 208 936</b>	<b>163 653</b>	<b>286 905</b>	<b>353 350</b>	<b>405 028</b>	<b>1 142 040</b>	<b>75 993</b>	<b>15 647</b>	<b>6,65</b>
<b>24</b>	<b>Interest</b>	<b>33 734</b>	<b>31 692</b>	<b>34 639</b>	<b>8 214</b>	<b>7 700</b>	<b>9 119</b>	<b>9 606</b>	<b>35 160</b>	<b>5 228</b>	<b>0</b>	<b>14,87</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>53 751</b>	<b>82 301</b>	<b>2 977</b>	<b>3 556</b>	<b>17 512</b>	<b>58 256</b>	<b>75 000</b>	<b>8 679</b>	<b>0</b>	<b>11,57</b>
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>565 630</b>	<b>509 874</b>	<b>661 135</b>	<b>129 791</b>	<b>51 222</b>	<b>145 787</b>	<b>334 335</b>	<b>561 005</b>	<b>56 286</b>	<b>2 180</b>	<b>10,03</b>
<b>Net-gross operating balance (1-2)</b>		<b>226 142</b>	<b>192 525</b>	<b>398 549</b>	<b>98 196</b>	<b>115 684</b>	<b>103 051</b>	<b>81 618</b>	<b>363 685</b>	<b>75 849</b>	<b>106 649</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>230 292</b>	<b>223 123</b>	<b>315 004</b>	<b>60 510</b>	<b>25 509</b>	<b>75 465</b>	<b>153 520</b>	<b>322 185</b>	<b>4 365</b>	<b>884</b>	<b>1,35</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	230 588	224 983	318 780	62 235	25 978	75 501	155 066	322 285	4 377	892	1,36
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	296	1 860	3 776	1 725	469	36	1 546	100	12	8	12,00
311	Fixed assets (311,1-311,2-311,3)	224 415	208 532	278 730	59 582	22 244	58 420	138 484	252 185	3 001	687	1,19
311,1	Acquisitions: fixed assets	224 711	210 392	282 506	61 307	22 713	58 456	140 030	252 285	3 013	695	1,19
311,2	Disposals: fixed assets	296	1 860	3 776	1 725	469	36	1 546	100	12	8	12,00
314	Nonproduced assets (314,1-314,2-314,3-314,4)	5 877	14 591	36 274	928	3 265	17 045	15 036	70 000	1 364	197	1,95
314,1	Acquisitions: nonproduced assets	5 877	14 591	36 274	928	3 265	17 045	15 036	70 000	1 364	197	1,95
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-4 150</b>	<b>-30 598</b>	<b>83 545</b>	<b>37 686</b>	<b>90 175</b>	<b>27 586</b>	<b>-71 902</b>	<b>41 500</b>	<b>71 484</b>	<b>105 765</b>	
<b>Financing (33-32)</b>		<b>4 150</b>	<b>30 598</b>	<b>-83 545</b>	<b>-37 686</b>	<b>-90 175</b>	<b>-27 586</b>	<b>71 902</b>	<b>-41 500</b>	<b>-71 484</b>	<b>-105 765</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>5 284</b>	<b>-32 316</b>	<b>116 100</b>	<b>21 936</b>	<b>68 061</b>	<b>19 224</b>	<b>6 879</b>	<b>21 500</b>	<b>62 802</b>	<b>105 765</b>	
321	Domestic	5 284	-32 316	116 100	21 936	68 061	19 224	6 879	21 500	62 802	105 765	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>9 434</b>	<b>-1 718</b>	<b>32 555</b>	<b>-15 750</b>	<b>-22 114</b>	<b>-8 362</b>	<b>78 781</b>	<b>-20 000</b>	<b>-8 682</b>	<b>0</b>	
331	Domestic	-26 179	12 778	-2 259	-19 010	-25 335	-21 973	64 059	-112 000	-3 119	0	
332	Foreign	35 613	-14 496	34 814	3 260	3 221	13 611	14 722	92 000	-5 563	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 10: THE ENVIRONMENT PROTECTION FUND TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>214 737</b>	<b>660 190</b>	<b>1 102 946</b>	<b>174 533</b>	<b>241 675</b>	<b>299 453</b>	<b>387 285</b>	<b>1 376 850</b>	<b>195 491</b>	<b>119 308</b>	<b>14,20</b>
<b>11</b>	<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+132+133)</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	350	0	0	0	0	0	0	0	0	
1331	Current	0	350	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>214 737</b>	<b>659 840</b>	<b>1 102 946</b>	<b>174 533</b>	<b>241 675</b>	<b>299 453</b>	<b>387 285</b>	<b>1 376 850</b>	<b>195 491</b>	<b>119 308</b>	<b>14,20</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>172 045</b>	<b>734 764</b>	<b>1 092 568</b>	<b>194 299</b>	<b>222 644</b>	<b>264 728</b>	<b>410 897</b>	<b>1 334 070</b>	<b>149 046</b>	<b>102 573</b>	<b>11,17</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>3 966</b>	<b>6 843</b>	<b>12 939</b>	<b>2 450</b>	<b>3 048</b>	<b>3 004</b>	<b>4 437</b>	<b>21 450</b>	<b>2 395</b>	<b>1 232</b>	<b>11,17</b>
211	Wages and salaries	3 407	5 864	11 071	2 103	2 633	2 570	3 765	18 350	2 056	1 058	11,20
212	Social contributions	559	979	1 868	347	415	434	672	3 100	339	174	10,94
<b>22</b>	<b>Use of goods and services</b>	<b>12 162</b>	<b>608 913</b>	<b>945 697</b>	<b>171 623</b>	<b>206 089</b>	<b>220 881</b>	<b>347 104</b>	<b>906 381</b>	<b>123 014</b>	<b>82 715</b>	<b>13,57</b>
<b>24</b>	<b>Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>5 189</b>	<b>13 803</b>	<b>18 553</b>	<b>3 672</b>	<b>2 629</b>	<b>5 524</b>	<b>6 728</b>	<b>32 554</b>	<b>1 220</b>	<b>332</b>	<b>3,75</b>
<b>26</b>	<b>Grants</b>	<b>149 780</b>	<b>102 355</b>	<b>108 582</b>	<b>15 902</b>	<b>10 126</b>	<b>34 009</b>	<b>48 545</b>	<b>328 977</b>	<b>21 944</b>	<b>18 093</b>	<b>6,67</b>
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>948</b>	<b>2 850</b>	<b>6 797</b>	<b>652</b>	<b>752</b>	<b>1 310</b>	<b>4 083</b>	<b>44 708</b>	<b>473</b>	<b>201</b>	<b>1,06</b>
<b>Net-gross operating balance (1-2)</b>		<b>42 692</b>	<b>-74 574</b>	<b>10 378</b>	<b>-19 766</b>	<b>19 031</b>	<b>34 725</b>	<b>-23 612</b>	<b>42 780</b>	<b>46 445</b>	<b>16 735</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>12 917</b>	<b>14 151</b>	<b>20 189</b>	<b>13 505</b>	<b>2 252</b>	<b>3 808</b>	<b>624</b>	<b>3 440</b>	<b>321</b>	<b>317</b>	<b>9,33</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	12 917	14 287	20 256	13 522	2 302	3 808	624	3 440	321	317	9,33
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	136	67	17	50	0	0	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	12 742	2 520	7 741	5 322	1 590	847	-18	2 840	28	24	0,99
311,1	Acquisitions: fixed assets	12 742	2 656	7 808	5 339	1 640	847	-18	2 840	28	24	0,99
311,2	Disposals: fixed assets	0	136	67	17	50	0	0	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	175	11 631	12 448	8 183	662	2 961	642	600	293	293	48,83
314,1	Acquisitions: nonproduced assets	175	11 631	12 448	8 183	662	2 961	642	600	293	293	48,83
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>29 775</b>	<b>-88 725</b>	<b>-9 811</b>	<b>-33 271</b>	<b>16 779</b>	<b>30 917</b>	<b>-24 236</b>	<b>39 340</b>	<b>46 124</b>	<b>16 418</b>	
<b>Financing (33-32)</b>		<b>-29 775</b>	<b>88 725</b>	<b>9 811</b>	<b>33 271</b>	<b>-16 779</b>	<b>-30 917</b>	<b>24 236</b>	<b>-39 340</b>	<b>-46 124</b>	<b>-16 418</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>29 775</b>	<b>-88 725</b>	<b>-9 811</b>	<b>-33 271</b>	<b>16 779</b>	<b>30 917</b>	<b>-24 236</b>	<b>39 340</b>	<b>46 124</b>	<b>16 418</b>	
321	Domestic	29 775	-88 725	-9 811	-33 271	16 779	30 917	-24 236	39 340	46 124	16 418	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	0	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 11: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII -IX 2007	X-XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>2 547 003</b>	<b>2 721 483</b>	<b>4 391 205</b>	<b>554 476</b>	<b>729 978</b>	<b>981 840</b>	<b>2 124 911</b>	<b>3 003 653</b>	<b>378 605</b>	<b>186 038</b>	<b>12,60</b>
<b>11</b>	<b>Taxes</b>	<b>1 380 753</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
1142	Excises	1 380 753	0	0	0	0	0	0	0	0	0	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+132+133)</b>	<b>0</b>	<b>1 450 358</b>	<b>3 015 869</b>	<b>316 773</b>	<b>374 169</b>	<b>450 041</b>	<b>1 874 886</b>	<b>1 604 984</b>	<b>208 439</b>	<b>98 171</b>	<b>12,99</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	1 450 358	3 015 869	316 773	374 169	450 041	1 874 886	1 604 984	208 439	98 171	12,99
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	1 450 358	3 015 869	316 773	374 169	450 041	1 874 886	1 604 984	208 439	98 171	12,99
<b>14</b>	<b>Other revenue</b>	<b>1 166 250</b>	<b>1 271 125</b>	<b>1 375 336</b>	<b>237 703</b>	<b>355 809</b>	<b>531 799</b>	<b>250 025</b>	<b>1 398 669</b>	<b>170 166</b>	<b>87 867</b>	<b>12,17</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 088 687</b>	<b>1 574 490</b>	<b>1 982 632</b>	<b>343 052</b>	<b>514 269</b>	<b>343 805</b>	<b>781 506</b>	<b>1 792 729</b>	<b>253 760</b>	<b>160 909</b>	<b>14,15</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>289 866</b>	<b>320 097</b>	<b>354 412</b>	<b>82 595</b>	<b>83 694</b>	<b>98 706</b>	<b>89 417</b>	<b>412 872</b>	<b>58 290</b>	<b>30 070</b>	<b>14,12</b>
211	Wages and salaries	250 374	276 180	305 329	71 317	72 044	84 598	77 370	356 435	50 007	25 800	14,03
212	Social contributions	39 492	43 917	49 083	11 278	11 650	14 108	12 047	56 437	8 283	4 270	14,68
<b>22</b>	<b>Use of goods and services</b>	<b>314 534</b>	<b>301 452</b>	<b>326 437</b>	<b>63 067</b>	<b>100 011</b>	<b>82 947</b>	<b>80 412</b>	<b>298 768</b>	<b>48 627</b>	<b>22 319</b>	<b>16,28</b>
<b>24</b>	<b>Interest</b>	<b>445 185</b>	<b>589 173</b>	<b>787 824</b>	<b>116 150</b>	<b>280 254</b>	<b>74 985</b>	<b>316 435</b>	<b>951 406</b>	<b>113 552</b>	<b>75 603</b>	<b>11,94</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>3 610</b>	<b>301 777</b>	<b>474 244</b>	<b>68 562</b>	<b>48 620</b>	<b>82 062</b>	<b>275 000</b>	<b>79 803</b>	<b>32 523</b>	<b>32 523</b>	<b>40,75</b>
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>35 492</b>	<b>61 991</b>	<b>39 715</b>	<b>12 678</b>	<b>1 690</b>	<b>5 105</b>	<b>20 242</b>	<b>49 880</b>	<b>768</b>	<b>394</b>	<b>1,54</b>
	<b>Net-gross operating balance (1-2)</b>	<b>1 458 316</b>	<b>1 146 993</b>	<b>2 408 573</b>	<b>211 424</b>	<b>215 709</b>	<b>638 035</b>	<b>1 343 405</b>	<b>1 210 924</b>	<b>124 845</b>	<b>25 129</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>3 942 727</b>	<b>2 949 761</b>	<b>3 369 269</b>	<b>582 659</b>	<b>823 712</b>	<b>1 003 657</b>	<b>959 241</b>	<b>2 602 628</b>	<b>428 185</b>	<b>248 417</b>	<b>16,45</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3 942 727	3 249 761	3 386 216	595 911	823 712	1 003 657	962 936	2 602 628	428 185	248 417	16,45
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	300 000	16 947	13 252	0	0	3 695	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	3 825 950	2 748 525	3 240 471	548 763	787 927	915 816	987 965	2 420 435	389 048	225 535	16,07
311,1	Acquisitions: fixed assets	3 825 950	3 048 525	3 257 418	562 015	787 927	915 816	991 660	2 420 435	389 048	225 535	16,07
311,2	Disposals: fixed assets	0	300 000	16 947	13 252	0	0	3 695	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	116 777	201 236	128 798	33 896	35 785	87 841	-28 724	182 193	39 137	22 882	21,48
314,1	Acquisitions: nonproduced assets	116 777	201 236	128 798	33 896	35 785	87 841	-28 724	182 193	39 137	22 882	21,48
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	<b>Net lending - borrowing (1-2-31)</b>	<b>-2 484 411</b>	<b>-1 802 768</b>	<b>-960 696</b>	<b>-371 235</b>	<b>-608 003</b>	<b>-365 622</b>	<b>384 164</b>	<b>-1 391 704</b>	<b>-303 340</b>	<b>-223 288</b>	
	<b>Financing (33-32)</b>	<b>2 484 411</b>	<b>1 802 768</b>	<b>960 696</b>	<b>371 235</b>	<b>608 003</b>	<b>365 622</b>	<b>-384 164</b>	<b>1 391 704</b>	<b>303 340</b>	<b>223 288</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-42 758</b>	<b>248 366</b>	<b>289 126</b>	<b>-234 657</b>	<b>101 490</b>	<b>-43 950</b>	<b>466 243</b>	<b>0</b>	<b>-386 968</b>	<b>-222 314</b>	
321	Domestic	-42 758	248 366	289 126	-234 657	101 490	-43 950	466 243	0	-386 968	-222 314	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331-332)</b>	<b>2 441 653</b>	<b>2 051 134</b>	<b>1 249 822</b>	<b>136 578</b>	<b>709 493</b>	<b>321 672</b>	<b>82 079</b>	<b>1 391 704</b>	<b>-83 628</b>	<b>974</b>	
331	Domestic	1 698 272	1 758 422	-87 997	220 507	221 496	0	-530 000	0	0	0	
332	Foreign	743 381	292 712	1 337 819	-83 929	487 997	321 672	612 079	1 391 704	-83 628	974	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 12: THE CROATIAN ROADS Ltd. TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X-XII 2007	Plan 2008	I - II 200	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 474 714</b>	<b>1 804 019</b>	<b>2 110 381</b>	<b>390 128</b>	<b>458 531</b>	<b>558 460</b>	<b>703 262</b>	<b>1 751 663</b>	<b>240 563</b>	<b>119 511</b>	<b>13,73</b>
<b>11</b>	<b>Taxes</b>	<b>1 380 732</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
1142	Excises	1 380 732	0	0	0	0	0	0	0	0	0	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+132+133)</b>	<b>0</b>	<b>1 739 270</b>	<b>1 990 435</b>	<b>378 314</b>	<b>414 852</b>	<b>532 658</b>	<b>664 611</b>	<b>1 654 984</b>	<b>234 510</b>	<b>116 798</b>	<b>14,17</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	1 739 270	1 990 435	378 314	414 852	532 658	664 611	1 654 984	234 510	116 798	14,17
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	1 739 270	1 990 435	378 314	414 852	532 658	664 611	1 654 984	234 510	116 798	14,17
<b>14</b>	<b>Other revenue</b>	<b>93 982</b>	<b>64 749</b>	<b>119 946</b>	<b>11 814</b>	<b>43 679</b>	<b>25 802</b>	<b>38 651</b>	<b>96 679</b>	<b>6 053</b>	<b>2 713</b>	<b>6,26</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 062 405</b>	<b>1 226 934</b>	<b>1 243 399</b>	<b>225 415</b>	<b>253 328</b>	<b>347 133</b>	<b>417 523</b>	<b>1 504 186</b>	<b>152 224</b>	<b>70 011</b>	<b>10,12</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>61 054</b>	<b>70 786</b>	<b>78 005</b>	<b>16 892</b>	<b>19 162</b>	<b>22 252</b>	<b>19 699</b>	<b>93 737</b>	<b>13 292</b>	<b>6 635</b>	<b>14,18</b>
211	Wages and salaries	52 452	60 787	67 035	14 483	16 482	19 057	17 013	80 623	11 397	5 693	14,14
212	Social contributions	8 602	9 999	10 970	2 409	2 680	3 195	2 686	13 114	1 895	942	14,45
<b>22</b>	<b>Use of goods and services</b>	<b>726 456</b>	<b>850 772</b>	<b>819 311</b>	<b>155 946</b>	<b>159 113</b>	<b>260 528</b>	<b>243 724</b>	<b>1 052 480</b>	<b>113 434</b>	<b>53 611</b>	<b>10,78</b>
<b>24</b>	<b>Interest</b>	<b>16 060</b>	<b>43 374</b>	<b>85 641</b>	<b>5 315</b>	<b>28 204</b>	<b>5 460</b>	<b>46 662</b>	<b>111 569</b>	<b>172</b>	<b>172</b>	<b>0,15</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>7 607</b>	<b>0</b>	<b>1 300</b>	<b>2 801</b>	<b>3 506</b>	<b>5 000</b>	<b>0</b>	<b>0</b>	<b>0,00</b>
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>258 835</b>	<b>262 002</b>	<b>252 835</b>	<b>47 262</b>	<b>45 549</b>	<b>56 092</b>	<b>103 932</b>	<b>241 400</b>	<b>25 326</b>	<b>9 593</b>	<b>10,49</b>
<b>Net-gross operating balance (1-2)</b>		<b>412 309</b>	<b>577 085</b>	<b>866 982</b>	<b>164 713</b>	<b>205 203</b>	<b>211 327</b>	<b>285 739</b>	<b>247 477</b>	<b>88 339</b>	<b>49 500</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>923 171</b>	<b>1 350 834</b>	<b>1 603 747</b>	<b>202 981</b>	<b>328 829</b>	<b>713 392</b>	<b>358 545</b>	<b>1 187 891</b>	<b>122 650</b>	<b>66 571</b>	<b>10,33</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	926 359	1 351 622	1 604 733	203 226	329 009	713 722	358 776	1 187 891	122 763	66 611	10,33
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	3 188	788	986	245	180	330	231	0	113	40	
311	Fixed assets (311,1-311,2-311,3)	833 817	1 227 447	1 416 639	165 761	262 943	679 761	308 174	1 005 691	94 305	61 445	9,38
311,1	Acquisitions: fixed assets	837 005	1 228 235	1 417 625	166 006	263 123	680 091	308 405	1 005 691	94 418	61 485	9,39
311,2	Disposals: fixed assets	3 188	788	986	245	180	330	231	0	113	40	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	89 354	123 387	187 108	37 220	65 886	33 631	50 371	182 200	28 345	5 126	15,56
314,1	Acquisitions: nonproduced assets	89 354	123 387	187 108	37 220	65 886	33 631	50 371	182 200	28 345	5 126	15,56
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-510 862</b>	<b>-773 749</b>	<b>-736 765</b>	<b>-38 268</b>	<b>-123 626</b>	<b>-502 065</b>	<b>-72 806</b>	<b>-940 414</b>	<b>-34 311</b>	<b>-17 071</b>	
<b>Financing (33-32)</b>		<b>510 862</b>	<b>773 749</b>	<b>736 765</b>	<b>38 268</b>	<b>123 626</b>	<b>502 065</b>	<b>72 806</b>	<b>940 414</b>	<b>34 311</b>	<b>17 071</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>50 297</b>	<b>-29 083</b>	<b>-45 061</b>	<b>-41 091</b>	<b>-96 066</b>	<b>98 966</b>	<b>-6 870</b>	<b>0</b>	<b>37 989</b>	<b>55 229</b>	
321	Domestic	50 297	-29 083	-45 061	-41 091	-96 066	98 966	-6 870	0	37 989	55 229	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>561 159</b>	<b>744 666</b>	<b>691 704</b>	<b>-2 823</b>	<b>27 560</b>	<b>601 031</b>	<b>65 936</b>	<b>940 414</b>	<b>72 300</b>	<b>72 300</b>	
331	Domestic	302 376	471 685	523 681	-7 033	0	491 270	39 444	649 054	0	0	
332	Foreign	258 783	272 981	168 023	4 210	27 560	109 761	26 492	291 360	72 300	72 300	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



TABLE 13: THE STATE AGENCY FOR DEPOSIT INSURANCE AND BANKS REHABILITATION TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X-XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>367 438</b>	<b>409 581</b>	<b>391 441</b>	<b>91 675</b>	<b>99 803</b>	<b>98 018</b>	<b>101 945</b>	<b>429 660</b>	<b>89 538</b>	<b>65 384</b>	<b>20,84</b>
11	Taxes	0	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+132+133)	0	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	0	0	0	
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>367 438</b>	<b>409 581</b>	<b>391 441</b>	<b>91 675</b>	<b>99 803</b>	<b>98 018</b>	<b>101 945</b>	<b>429 660</b>	<b>89 538</b>	<b>65 384</b>	<b>20,84</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>182 993</b>	<b>27 354</b>	<b>47 820</b>	<b>22 070</b>	<b>14 328</b>	<b>6 820</b>	<b>4 602</b>	<b>64 456</b>	<b>1 996</b>	<b>781</b>	<b>3,10</b>
21	Compensation of employees (211+212)	5 621	5 713	6 076	1 306	1 393	1 699	1 678	8 135	1 224	492	15,05
211	Wages and salaries	4 821	4 896	5 208	1 118	1 192	1 461	1 437	6 960	1 047	421	15,04
212	Social contributions	800	817	868	188	201	238	241	1 175	177	71	15,06
22	Use of goods and services	21 092	12 472	20 359	5 734	10 777	1 896	1 952	11 011	751	281	6,82
24	Interest	121 940	239	345	0	320	12	13	10	0	0	0,00
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	0	0	0	0	0	
27	Social benefits	1 511	1 357	523	118	186	14	205	30 000	12	0	0,04
28	Other expense	32 829	7 573	20 517	14 912	1 652	3 199	754	15 300	9	8	0,06
<b>Net-gross operating balance (1-2)</b>		<b>184 445</b>	<b>382 227</b>	<b>343 621</b>	<b>69 605</b>	<b>85 475</b>	<b>91 198</b>	<b>97 343</b>	<b>365 204</b>	<b>87 542</b>	<b>64 603</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	14 131	493	-18 959	-19 998	74	961	4	13 230	25 000	25 000	188,96
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	14 232	565	1 202	102	74	1 022	4	35 080	25 000	25 000	71,27
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	101	72	20 161	20 100	0	61	0	21 850	0	0	0,00
311	Fixed assets (311,1-311,2-311,3)	11 115	493	-18 959	-19 998	74	961	4	35 030	25 000	25 000	71,37
311,1	Acquisitions: fixed assets	11 216	565	1 202	102	74	1 022	4	35 080	25 000	25 000	71,27
311,2	Disposals: fixed assets	101	72	20 161	20 100	0	61	0	50	0	0	0,00
<b>Net lending - borrowing (1-2-31)</b>		<b>170 314</b>	<b>381 734</b>	<b>362 580</b>	<b>89 603</b>	<b>85 401</b>	<b>90 237</b>	<b>97 339</b>	<b>351 974</b>	<b>62 542</b>	<b>39 603</b>	
<b>Financing (33-32)</b>		<b>-170 314</b>	<b>-381 734</b>	<b>-362 580</b>	<b>-89 603</b>	<b>-85 401</b>	<b>-90 237</b>	<b>-97 339</b>	<b>-351 974</b>	<b>-62 542</b>	<b>-39 603</b>	
32	Net acquisition of financial assets (321+322)	-349 252	381 734	362 580	89 603	85 401	90 237	97 339	351 974	62 542	39 603	
321	Domestic	-349 252	381 734	362 580	89 603	85 401	90 237	97 339	351 974	62 542	39 603	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	-519 566	0	0	0	0	0	0	0	0	0	
331	Domestic	-519 566	0	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 14: THE CROATIAN PRIVATIZATION FUND TRANSACTIONS

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X-XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>237 044</b>	<b>65 871</b>	<b>58 324</b>	<b>12 623</b>	<b>9 660</b>	<b>7 760</b>	<b>28 281</b>	<b>35 810</b>	<b>7 198</b>	<b>5 487</b>	<b>20,10</b>
11	Taxes	0	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+132+133)	0	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	0	0	0	
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
14	Other revenue	237 044	65 871	58 324	12 623	9 660	7 760	28 281	35 810	7 198	5 487	20,10
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>182 119</b>	<b>78 375</b>	<b>88 241</b>	<b>17 416</b>	<b>25 200</b>	<b>19 708</b>	<b>25 917</b>	<b>96 363</b>	<b>11 375</b>	<b>4 332</b>	<b>11,80</b>
21	Compensation of employees (211+212)	35 996	31 920	36 285	7 772	10 438	8 769	9 306	42 577	5 532	2 816	12,99
211	Wages and salaries	31 273	27 508	31 233	6 689	9 031	7 634	7 879	35 365	4 739	2 413	13,40
212	Social contributions	4 723	4 412	5 052	1 083	1 407	1 135	1 427	7 212	793	403	11,00
22	Use of goods and services	33 545	30 039	34 173	8 282	8 453	6 794	10 644	36 351	3 289	653	9,05
24	Interest	0	16 416	17 783	1 362	6 309	4 145	5 967	17 435	2 554	863	14,65
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	0	0	0	0	0	
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	112 578	0	0	0	0	0	0	0	0	0	
<b>Net-gross operating balance (1-2)</b>		<b>54 925</b>	<b>-12 504</b>	<b>-29 917</b>	<b>-4 793</b>	<b>-15 540</b>	<b>-11 948</b>	<b>2 364</b>	<b>-60 553</b>	<b>-4 177</b>	<b>1 155</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	-40 272	-51 175	-23 514	-12 730	1 414	-2 354	-9 844	26 314	-2 381	-23	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	2 061	2 907	3 553	325	1 556	20	1 652	82 734	207	12	0,25
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	42 333	54 082	27 067	13 055	142	2 374	11 496	56 420	2 588	35	4,59
311	Fixed assets (311,1-311,2-311,3)	-40 272	-51 175	-23 514	-12 730	1 414	-2 354	-9 844	26 314	-2 381	-23	
311,1	Acquisitions: fixed assets	2 061	2 907	3 553	325	1 556	20	1 652	82 734	207	12	0,25
311,2	Disposals: fixed assets	42 333	54 082	27 067	13 055	142	2 374	11 496	56 420	2 588	35	4,59
<b>Net lending - borrowing (1-2-31)</b>		<b>95 197</b>	<b>38 671</b>	<b>-6 403</b>	<b>7 937</b>	<b>-16 954</b>	<b>-9 594</b>	<b>12 208</b>	<b>-86 867</b>	<b>-1 796</b>	<b>1 178</b>	
<b>Financing (33-32)</b>		<b>-95 197</b>	<b>-38 671</b>	<b>6 403</b>	<b>-7 937</b>	<b>16 954</b>	<b>9 594</b>	<b>-12 208</b>	<b>86 867</b>	<b>1 796</b>	<b>-1 178</b>	
32	Net acquisition of financial assets (321+322)	100 403	-87 682	82 691	-246	-4 087	14 947	72 077	-227 000	-5 719	-733	
321	Domestic	100 403	-87 682	82 691	-246	-4 087	14 947	72 077	-227 000	-5 719	-733	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	5 206	-126 353	89 094	-8 183	12 867	24 541	59 869	-140 133	-3 923	-1 911	
331	Domestic	5 206	-126 353	106 055	-8 183	18 081	32 078	64 079	-121 877	-3 923	-1 911	
332	Foreign	0	0	-16 961	0	-5 214	-7 537	-4 210	-18 256	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 15: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1 REVENUE (11+12+13+14)</b>	<b>92 642 473</b>	<b>100 392 605</b>	<b>113 386 165</b>	<b>24 768 255</b>	<b>28 917 282</b>	<b>30 248 790</b>	<b>29 451 838</b>	<b>120 848 213</b>	<b>19 315 793</b>	<b>9 172 516</b>	<b>15,98</b>
<b>11 Taxes (111+113+114+115+116)</b>	<b>53 449 049</b>	<b>58 469 091</b>	<b>64 234 530</b>	<b>14 017 755</b>	<b>17 286 246</b>	<b>17 074 213</b>	<b>15 856 315</b>	<b>69 524 081</b>	<b>11 121 692</b>	<b>5 181 557</b>	<b>16,00</b>
111 Taxes of income and profits and capital gains	7 057 112	8 515 615	10 589 083	2 188 372	3 729 640	2 392 630	2 278 441	11 567 474	1 942 053	847 676	16,79
113 Taxes on property	375 501	482 331	578 621	126 963	135 671	136 652	179 334	633 400	82 387	42 395	13,01
114 Taxes on goods and services (1141+1142+1144+1145+1146)	44 084 487	47 546 223	51 099 930	11 263 242	12 906 488	14 045 023	12 885 177	55 385 894	8 773 550	4 134 296	15,84
1141 General taxes on goods and services (11411+11412)	32 399 952	35 091 381	37 916 509	8 440 180	9 622 975	10 264 706	9 588 648	41 591 620	6 951 088	3 261 124	16,71
11411 Value-added taxes	32 243 372	34 931 750	37 747 987	8 399 864	9 578 712	10 221 678	9 547 734	41 408 125	6 923 761	3 246 911	16,72
11412 Sales taxes	156 580	159 631	168 522	40 316	44 264	43 027	40 915	183 496	27 327	14 213	14,89
1142 Excises	10 939 144	11 564 709	12 168 666	2 620 967	3 037 455	3 518 737	2 991 506	12 673 301	1 664 091	796 113	13,13
115 Taxes on international trade and transactions	1 562 930	1 588 456	1 641 478	357 299	430 257	426 464	427 459	1 689 802	272 586	130 698	16,13
116 Other taxes	369 019	336 466	325 418	81 879	84 192	73 444	85 903	247 512	51 116	26 491	20,65
<b>12 Social contributions</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>37 203 486</b>	<b>8 741 858</b>	<b>9 302 667</b>	<b>9 612 662</b>	<b>9 546 298</b>	<b>40 721 779</b>	<b>6 563 641</b>	<b>3 177 745</b>	<b>16,12</b>
<b>13 Grants</b>	<b>27 505</b>	<b>194 484</b>	<b>481 173</b>	<b>9 930</b>	<b>103 474</b>	<b>111 368</b>	<b>256 401</b>	<b>974 451</b>	<b>58 365</b>	<b>16 844</b>	<b>5,99</b>
<b>14 Other revenue</b>	<b>7 864 579</b>	<b>7 851 883</b>	<b>11 466 977</b>	<b>1 998 712</b>	<b>2 224 895</b>	<b>3 450 547</b>	<b>3 792 823</b>	<b>9 627 902</b>	<b>1 572 095</b>	<b>796 371</b>	<b>16,33</b>
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>92 332 140</b>	<b>98 751 408</b>	<b>109 074 989</b>	<b>25 361 209</b>	<b>25 318 294</b>	<b>27 488 323</b>	<b>30 907 163</b>	<b>117 757 975</b>	<b>17 280 661</b>	<b>9 311 286</b>	<b>14,67</b>
<b>21 Compensation of employees (211+212)</b>	<b>24 300 115</b>	<b>25 512 962</b>	<b>28 154 625</b>	<b>6 646 452</b>	<b>7 023 219</b>	<b>7 273 230</b>	<b>7 211 725</b>	<b>30 476 002</b>	<b>4 874 605</b>	<b>2 418 898</b>	<b>15,99</b>
211 Wages and salaries	20 665 832	21 699 724	23 761 684	5 629 298	5 994 240	5 993 532	6 144 614	25 896 988	4 122 755	2 047 267	15,92
212 Social contributions	3 634 283	3 813 238	4 392 941	1 017 154	1 028 978	1 279 698	1 067 111	4 579 014	751 850	371 630	16,42
<b>22 Use of goods and services</b>	<b>7 100 232</b>	<b>9 193 481</b>	<b>10 517 315</b>	<b>2 019 010</b>	<b>2 355 889</b>	<b>2 576 207</b>	<b>3 566 210</b>	<b>12 137 356</b>	<b>1 197 188</b>	<b>625 063</b>	<b>9,86</b>
<b>24 Interest</b>	<b>5 004 650</b>	<b>5 397 046</b>	<b>5 461 240</b>	<b>1 811 324</b>	<b>1 258 857</b>	<b>1 193 676</b>	<b>1 197 383</b>	<b>6 072 864</b>	<b>1 516 373</b>	<b>1 182 408</b>	<b>24,97</b>
<b>25 Subsidies</b>	<b>5 253 933</b>	<b>5 684 592</b>	<b>6 510 563</b>	<b>1 656 574</b>	<b>1 268 304</b>	<b>1 567 358</b>	<b>2 018 327</b>	<b>7 178 735</b>	<b>997 340</b>	<b>636 943</b>	<b>13,89</b>
<b>26 Grants</b>	<b>2 804 760</b>	<b>2 838 842</b>	<b>3 539 882</b>	<b>567 682</b>	<b>666 863</b>	<b>753 167</b>	<b>1 552 170</b>	<b>4 288 568</b>	<b>328 309</b>	<b>170 473</b>	<b>7,66</b>
<b>27 Social benefits</b>	<b>41 930 232</b>	<b>44 192 851</b>	<b>48 176 512</b>	<b>11 556 437</b>	<b>11 410 618</b>	<b>12 723 388</b>	<b>12 486 069</b>	<b>50 532 528</b>	<b>7 788 091</b>	<b>3 941 126</b>	<b>15,41</b>
<b>28 Other expense</b>	<b>5 938 219</b>	<b>5 931 633</b>	<b>6 714 852</b>	<b>1 103 733</b>	<b>1 334 543</b>	<b>1 401 298</b>	<b>2 875 278</b>	<b>7 071 924</b>	<b>578 755</b>	<b>336 375</b>	<b>8,18</b>
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>310 333</b>	<b>1 641 197</b>	<b>4 311 176</b>	<b>-592 954</b>	<b>3 598 988</b>	<b>2 760 467</b>	<b>-1 455 325</b>	<b>3 090 238</b>	<b>2 035 131</b>	<b>-138 770</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>310 333</b>	<b>1 641 197</b>	<b>4 311 176</b>	<b>-592 954</b>	<b>3 598 988</b>	<b>2 760 467</b>	<b>-1 455 325</b>	<b>3 090 238</b>	<b>2 035 131</b>	<b>-138 770</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>6 699 416</b>	<b>6 108 627</b>	<b>7 810 956</b>	<b>911 294</b>	<b>1 534 597</b>	<b>2 515 187</b>	<b>2 849 878</b>	<b>7 606 654</b>	<b>658 525</b>	<b>367 352</b>	<b>8,66</b>
311 Fixed assets	6 439 709	5 788 654	7 526 800	995 841	1 410 138	2 359 281	2 761 540	6 982 502	586 769	337 387	8,40
312 Inventories	0	-80 226	-161 383	-173 789	-1 892	-1 900	16 197	19 200	-180	-150	
313 Valuables	7 220	7 826	9 620	1 256	4 416	1 387	2 562	6 158	1 300	1 158	21,11
314 Nonproduced assets	252 487	392 374	435 919	87 986	121 934	156 419	69 579	598 794	70 636	28 957	11,80
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-6 389 083</b>	<b>-4 467 430</b>	<b>-3 499 780</b>	<b>-1 504 248</b>	<b>2 064 391</b>	<b>245 280</b>	<b>-4 305 203</b>	<b>-4 516 416</b>	<b>1 376 606</b>	<b>-506 122</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>6 389 083</b>	<b>4 467 430</b>	<b>3 499 780</b>	<b>1 504 248</b>	<b>-2 064 391</b>	<b>-245 280</b>	<b>4 305 203</b>	<b>4 516 416</b>	<b>-1 376 606</b>	<b>506 122</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>1 609 760</b>	<b>-2 576 689</b>	<b>-2 939 156</b>	<b>148 226</b>	<b>1 068 875</b>	<b>785 250</b>	<b>-4 941 507</b>	<b>131 438</b>	<b>908 089</b>	<b>-90 853</b>	
321 Domestic	1 614 616	-2 593 370	-2 957 192	148 226	1 060 842	785 250	-4 951 509	118 977	908 089	-90 853	
322 Foreign	-4 857	16 681	18 036	0	8 033	0	10 003	12 461	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0	
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>7 998 843</b>	<b>1 890 741</b>	<b>560 624</b>	<b>1 652 475</b>	<b>-995 517</b>	<b>539 970</b>	<b>-636 304</b>	<b>4 647 853</b>	<b>-468 517</b>	<b>415 269</b>	
331 Domestic	12 041 678	5 282 792	2 017 095	2 300 970	-1 215 309	2 218 831	-1 287 397	-1 284 532	15 430	341 700	
332 Foreign	-4 042 835	-3 392 051	-1 456 471	-648 496	219 792	-1 678 860	651 093	5 932 385	-483 947	73 570	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 16: CONSOLIDATED CENTRAL GOVERNMENT ACCORDING TO GOVERNMENT LEVEL

(000 HRK)		2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007	Plan 2008	I - II 2008	II 2008	I - II 2008 Plan 2008
<b>1</b>	<b>REVENUE (A+B)</b>	<b>92 642 473</b>	<b>100 392 605</b>	<b>113 386 165</b>	<b>24 768 255</b>	<b>28 917 282</b>	<b>30 248 790</b>	<b>29 451 838</b>	<b>120 848 213</b>	<b>19 315 793</b>	<b>9 172 516</b>	<b>15,98</b>
	A) Budgetary Central Government	85 653 010	95 234 057	108 296 963	23 848 740	27 709 655	28 736 430	28 002 138	115 611 755	18 615 435	8 765 529	16,10
	B) Extrabudgetary users (1+...+9)	6 989 463	5 158 548	5 089 202	919 515	1 207 627	1 512 360	1 449 700	5 236 458	700 358	406 987	13,37
	1. Croatian Institute for Pension Insurance	38 010	293 485	-	-	-	-	-	-	-	-	-
	2. Croatian Health Insurance Institute	863 868	848 683	-	-	-	-	-	-	-	-	-
	3. Croatian Employment Service	18 855	18 363	-	-	-	-	-	-	-	-	-
	4. Croatian Waters	1 227 794	1 526 851	2 041 209	391 167	457 001	549 528	643 513	1 898 790	231 912	126 228	12,21
	5. Environment Protection Fund	214 737	659 840	1 102 946	174 533	241 675	299 453	387 285	1 376 850	195 491	119 308	14,20
	6. Croatian motorways Ltd.	2 547 003	1 271 125	1 375 336	237 703	355 809	531 799	250 025	1 398 669	170 166	87 867	12,17
	7. Croatian roads Ltd.	1 474 714	64 749	119 946	11 814	43 679	25 802	38 651	96 679	6 053	2 713	6,26
	8. State Agency for Deposit Insurance and Bank Rehabilitation	367 438	409 581	391 441	91 675	99 803	98 018	101 945	429 660	89 538	65 384	20,84
	9. Croatian Privatization Fund	237 044	65 871	58 324	12 623	9 660	7 760	28 281	35 810	7 198	5 487	20,10
<b>2</b>	<b>EXPENSE (A+B)</b>	<b>92 332 140</b>	<b>98 751 408</b>	<b>109 074 989</b>	<b>25 361 209</b>	<b>25 318 294</b>	<b>27 488 323</b>	<b>30 907 163</b>	<b>117 757 975</b>	<b>17 280 661</b>	<b>9 311 286</b>	<b>14,67</b>
	A) Budgetary Central Government	86 715 598	91 979 693	103 004 916	24 294 973	23 959 539	26 036 641	28 713 763	111 095 169	16 578 878	8 976 959	14,92
	B) Extrabudgetary users (1+...+9)	5 616 542	6 771 715	6 070 073	1 066 236	1 358 755	1 451 682	2 193 400	6 662 806	701 783	334 327	10,53
	1. Croatian Institute for Pension Insurance	382 162	565 857	-	-	-	-	-	-	-	-	-
	2. Croatian Health Insurance Institute	914 345	931 628	-	-	-	-	-	-	-	-	-
	3. Croatian Employment Service	145 931	155 002	-	-	-	-	-	-	-	-	-
	4. Croatian Waters	1 489 465	1 779 088	2 099 001	332 546	378 906	554 351	833 198	1 955 805	165 905	28 244	8,48
	5. Environment Protection Fund	172 045	734 764	1 083 268	194 299	222 644	264 728	401 597	1 334 070	149 046	102 573	11,17
	6. Croatian motorways Ltd.	1 085 077	1 272 713	1 509 844	274 490	465 649	261 743	507 962	1 712 926	221 237	128 386	12,92
	7. Croatian roads Ltd.	1 062 405	1 226 934	1 241 899	225 415	252 028	344 332	420 124	1 499 186	152 224	70 011	10,15
	8. State Agency for Deposit Insurance and Bank Rehabilitation	182 993	27 354	47 820	22 070	14 328	6 820	4 602	64 456	1 996	781	3,10
	9. Croatian Privatization Fund	182 119	78 375	88 241	17 416	25 200	19 708	25 917	96 363	11 375	4 332	11,80
	<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>310 333</b>	<b>1 641 197</b>	<b>4 311 176</b>	<b>-592 954</b>	<b>3 598 988</b>	<b>2 760 467</b>	<b>-1 455 325</b>	<b>3 090 238</b>	<b>2 035 131</b>	<b>-138 770</b>	
<b>3</b>	<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>310 333</b>	<b>1 641 197</b>	<b>4 311 176</b>	<b>-592 954</b>	<b>3 598 988</b>	<b>2 760 467</b>	<b>-1 455 325</b>	<b>3 090 238</b>	<b>2 035 131</b>	<b>-138 770</b>	
<b>31</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>6 699 416</b>	<b>6 108 627</b>	<b>7 810 956</b>	<b>911 294</b>	<b>1 534 597</b>	<b>2 515 187</b>	<b>2 849 878</b>	<b>7 606 654</b>	<b>658 525</b>	<b>367 352</b>	<b>8,66</b>
	Acquisition (A+B)	7 024 180	6 836 371	8 378 646	1 207 729	1 613 012	2 583 580	2 974 325	7 991 417	704 094	388 060	8,81
	A) Budgetary Central Government	1 828 818	1 908 482	3 043 906	332 408	430 381	785 850	1 495 267	3 757 359	123 241	46 811	3,28
	B) Extrabudgetary users	5 195 362	4 927 889	5 334 740	875 321	1 182 631	1 797 730	1 479 058	4 234 058	580 853	341 249	13,72
	Disposals (A+B)	324 763	727 744	567 689	296 435	78 415	68 392	124 447	384 763	45 569	20 708	11,84
	A) Budgetary Central Government	275 149	352 690	498 685	248 041	77 574	65 591	107 479	306 393	42 856	20 625	13,99
	B) Extrabudgetary users	49 614	375 054	69 004	48 394	841	2 801	16 968	78 370	2 713	83	3,46
	<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-6 389 083</b>	<b>-4 467 430</b>	<b>-3 499 780</b>	<b>-1 504 248</b>	<b>2 064 391</b>	<b>245 280</b>	<b>-4 305 203</b>	<b>-4 516 416</b>	<b>1 376 606</b>	<b>-506 122</b>	
	<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>6 389 083</b>	<b>4 467 430</b>	<b>3 499 780</b>	<b>1 504 248</b>	<b>-2 064 391</b>	<b>-245 280</b>	<b>4 305 203</b>	<b>4 516 416</b>	<b>-1 376 606</b>	<b>506 122</b>	
<b>32</b>	<b>NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>1 609 760</b>	<b>-2 576 689</b>	<b>-2 939 156</b>	<b>148 226</b>	<b>1 068 875</b>	<b>785 250</b>	<b>-4 941 507</b>	<b>131 438</b>	<b>908 089</b>	<b>-90 853</b>	
<b>321</b>	<b>Domestic (A+B)</b>	<b>1 614 616</b>	<b>-2 593 370</b>	<b>-2 957 192</b>	<b>148 226</b>	<b>1 060 842</b>	<b>785 250</b>	<b>-4 951 509</b>	<b>118 977</b>	<b>908 089</b>	<b>-90 853</b>	
	A) Budgetary Central Government	1 747 681	-3 063 855	-3 752 817	345 952	889 264	574 909	-5 562 941	-66 837	1 091 319	-84 821	
	B) Extrabudgetary users	-133 065	470 485	795 625	-197 726	171 578	210 341	611 432	185 814	-183 230	-6 032	
<b>322</b>	<b>Foreign (A+B)</b>	<b>-4 857</b>	<b>16 681</b>	<b>18 036</b>	<b>0</b>	<b>8 033</b>	<b>0</b>	<b>10 003</b>	<b>12 461</b>	<b>0</b>	<b>0</b>	
	A) Budgetary Central Government	-4 857	16 681	18 036	0	8 033	0	10 003	12 461	0	0	
	B) Extrabudgetary users	0	0	0	0	0	0	0	0	0	0	
<b>323</b>	<b>Monetary gold and SDRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>33</b>	<b>NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>7 998 843</b>	<b>1 890 741</b>	<b>560 624</b>	<b>1 652 475</b>	<b>-995 517</b>	<b>539 970</b>	<b>-636 304</b>	<b>4 647 853</b>	<b>-468 517</b>	<b>415 269</b>	
<b>331</b>	<b>Domestic (A+B)</b>	<b>12 041 678</b>	<b>5 282 792</b>	<b>2 017 095</b>	<b>2 300 970</b>	<b>-1 215 309</b>	<b>2 218 831</b>	<b>-1 287 397</b>	<b>-1 284 532</b>	<b>15 430</b>	<b>341 700</b>	
	A) Budgetary Central Government	10 591 560	3 166 260	1 477 615	2 114 689	-1 429 551	1 717 456	-924 979	-1 699 709	22 472	343 611	
	B) Extrabudgetary users	1 450 118	2 116 532	539 480	186 281	214 242	501 375	-362 418	415 177	-7 042	-1 911	
<b>332</b>	<b>Foreign (A+B)</b>	<b>-4 042 835</b>	<b>-3 392 051</b>	<b>-1 456 471</b>	<b>-648 496</b>	<b>219 792</b>	<b>-1 678 860</b>	<b>651 093</b>	<b>5 932 385</b>	<b>-483 947</b>	<b>73 570</b>	
	A) Budgetary Central Government	-5 080 612	-3 943 248	-2 980 166	-572 037	-293 772	-2 116 367	2 010	4 175 577	-467 056	296	
	B) Extrabudgetary users	1 037 777	551 197	1 523 695	-76 459	513 564	437 507	649 083	1 756 808	-16 891	73 274	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

## MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT/SURPLUS

TABLE 16A: OPERATING BALANCE AND PRIMARY OPERATING BALANCE (000 HRK)

	Revenues (1)	Expenditures (2)	Operating balance	Interest payments (24)	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
II 2006	7 394 415	7 905 118	-510 703	691 625	180 922
III	7 628 864	8 280 114	-651 250	868 032	216 782
IV	8 602 086	8 260 962	341 125	402 096	743 221
V	8 324 996	7 862 702	462 294	379 240	841 534
VI	8 245 974	7 736 657	509 318	445 710	955 027
VII	8 756 125	8 091 840	664 286	390 829	1 055 114
VIII	9 012 922	7 758 067	1 254 855	298 772	1 553 627
IX	8 474 254	7 939 879	534 375	334 411	868 786
X	8 868 501	8 378 504	489 997	252 828	742 825
XI	8 916 620	8 338 893	577 726	416 064	993 790
XII	9 112 193	10 654 655	-1 542 462	541 760	-1 000 702
I-XII 2006	100 380 552	98 737 410	1 643 142	5 398 744	7 041 886
I 2007	8 548 380	7 851 090	697 291	396 552	1 093 843
II	8 143 345	8 698 195	-554 850	681 410	126 560
III	8 076 530	8 811 925	-735 395	733 361	-2 034
IV	10 701 221	8 659 319	2 041 902	388 441	2 430 344
V	9 219 592	8 271 994	947 597	349 269	1 296 866
VI	8 996 470	8 386 981	609 489	521 147	1 130 635
VII	9 855 201	8 734 931	1 120 270	444 946	1 565 216
VIII	10 259 795	9 581 029	678 766	355 011	1 033 777
IX	10 133 794	9 172 363	961 431	393 719	1 355 150
X	9 679 740	9 358 249	321 492	262 727	584 218
XI	9 538 870	10 088 816	-549 946	421 506	-128 440
XII	10 233 228	11 460 099	-1 226 871	513 150	-713 721
I-XII 2007	113 386 165	109 074 989	4 311 176	5 461 240	9 772 415
I 2008	10 143 277	7 969 375	2 173 902	333 965	2 507 867
II	9 172 516	9 311 286	-138 770	1 182 408	1 043 638
I-II 2008	19 315 793	17 280 661	2 035 131	1 516 373	3 551 505

Note: See notes on methodology

## MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

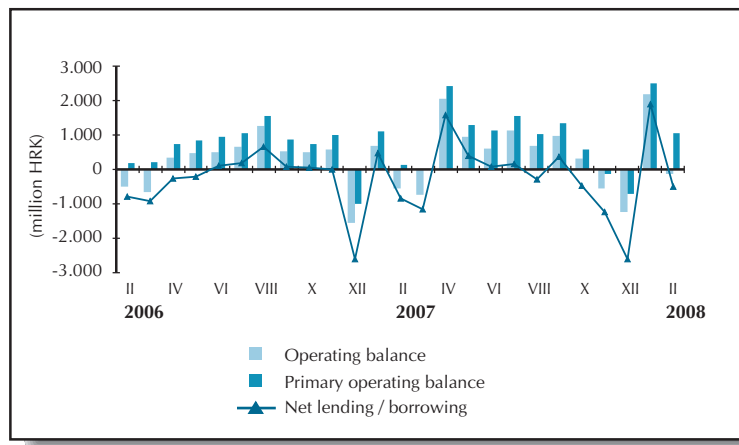


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	Operating balance	Net nonfinancial assets (31)	Net lending/ borrowing*	Financing (33-32)	Net financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
II 2006	-510 703	289 615	-800 318	800 318	-341 361	458 957
III	-651 250	281 189	-932 439	932 439	-351 980	580 459
IV	341 125	604 597	-263 472	263 472	56 255	319 728
V	462 294	682 902	-220 607	220 607	162 164	382 772
VI	509 318	412 394	96 923	-96 923	-307 823	-404 746
VII	664 286	473 654	190 631	-190 631	6 693	-183 938
VIII	1 254 855	592 433	662 423	-662 423	628 927	-33 496
IX	534 375	459 196	75 179	-75 179	-92 149	-167 328
X	489 997	442 099	47 899	-47 899	264 848	216 949
XI	577 726	586 128	-8 402	8 402	500 484	508 885
XII	-1 542 462	1 054 144	-2 596 606	2 596 606	-3 346 076	-749 470
I-XII 2006	1 643 142	6 100 978	-4 457 836	4 457 836	-2 567 167	1 890 669
I 2007	697 291	215 838	481 453	-481 453	-71 368	-552 820
II	-554 850	283 183	-838 033	838 033	974 618	1 812 651
III	-735 395	412 273	-1 147 668	1 147 668	-755 024	392 644
IV	2 041 902	450 395	1 591 507	-1 591 507	1 267 803	-323 705
V	947 597	564 038	383 559	-383 559	-4 981	-388 540
VI	609 489	520 164	89 325	-89 325	-193 947	-283 272
VII	1 120 270	957 309	162 961	-162 961	-546 525	-709 487
VIII	678 766	967 228	-288 462	288 462	771 378	1 059 840
IX	961 431	590 651	370 780	-370 780	560 398	189 618
X	321 492	800 093	-478 601	478 601	-1 175 365	-696 763
XI	-549 946	676 815	-1 226 761	1 226 761	-1 277 773	-51 012
XII	-1 226 871	1 372 970	-2 599 841	2 599 841	-2 488 370	111 471
I-XII 2007	4 311 176	7 810 956	-3 499 780	3 499 780	-2 939 156	560 624
I 2008	2 173 902	291 173	1 882 729	-1 882 729	998 942	-883 786
II	-138 770	367 352	-506 122	506 122	-90 853	415 269
I-II 2008	2 035 131	658 525	1 376 606	-1 376 606	908 089	-468 517

\* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 20: GENERAL GOVERNMENT DEBT STOCK

	31.12.2002 <sup>§</sup>		31.12.2003 <sup>§</sup>		31.12.2004 <sup>§</sup>		31.12.2005 <sup>§</sup>		31.12.2006 <sup>§</sup>		31.12.2007 <sup>§</sup>		31.1.2008 <sup>§</sup>		29.2.2008 <sup>§</sup>	
	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP
<b>A. Foreign debt (A1+A2+A3)</b>	<b>40 240,4</b>	<b>22,2</b>	<b>45 676,4</b>	<b>23,0</b>	<b>50 240,7</b>	<b>23,4</b>	<b>45 363,6</b>	<b>19,6</b>	<b>41 660,5</b>	<b>16,6</b>	<b>39 603,2</b>	<b>14,4</b>	<b>38 840,3</b>	<b>12,9</b>	<b>38 651,3</b>	<b>12,8</b>
1. Central Government foreign debt	37 432,1	20,7	41 041,9	20,7	42 231,2	19,6	36 414,5	15,7	32 556,6	13,0	29 397,2	10,7	28 844,5	9,6	28 564,4	9,5
2. Foreign debt of Extrabudgetary users	2 585,1	1,4	4 285,6	2,2	7 747,0	3,6	8 749,8	3,8	8 938,2	3,6	10 158,4	3,7	9 948,3	3,3	10 039,4	3,3
3. Local Government foreign debt	223,3	0,1	348,9	0,2	262,5	0,1	199,2	0,1	165,7	0,1	47,5	0,0	47,5	0,0	47,5	0,0
<b>B. Domestic debt (B1+B2+B3)</b>	<b>32 214,0</b>	<b>17,8</b>	<b>35 545,3</b>	<b>17,9</b>	<b>42 554,4</b>	<b>19,8</b>	<b>55 821,6</b>	<b>24,1</b>	<b>60 549,0</b>	<b>24,2</b>	<b>64 410,8</b>	<b>23,4</b>	<b>63 698,5</b>	<b>21,1</b>	<b>64 299,4</b>	<b>21,3</b>
1. Central Government domestic debt	23 320,0	12,9	28 160,8	14,2	37 223,7	17,3	50 559,5	21,9	54 216,7	21,6	56 506,5	20,5	55 874,8	18,5	56 422,9	18,7
2. Domestic debt of Extrabudgetary users	7 659,1	4,2	6 247,5	3,1	3 911,2	1,8	3 935,0	1,7	5 168,2	2,1	6 332,6	2,3	6 252,0	2,1	6 304,8	2,1
3. Local Government domestic debt	1 234,8	0,7	1 137,0	0,6	1 419,6	0,7	1 327,1	0,6	1 164,1	0,5	1 571,7	0,6	1 571,7	0,5	1 571,7	0,5
<b>C. General Government total debt ( C1+C2+C3)</b>	<b>72 454,4</b>	<b>40,0</b>	<b>81 221,6</b>	<b>40,9</b>	<b>92 795,2</b>	<b>43,2</b>	<b>101 185,2</b>	<b>43,7</b>	<b>102 209,5</b>	<b>40,8</b>	<b>104 014,0</b>	<b>37,8</b>	<b>102 538,8</b>	<b>34,0</b>	<b>102 950,7</b>	<b>34,1</b>
1. Central Government total debt (A1+B1)	60 752,1	33,5	69 202,7	34,9	79 454,9	37,0	86 974,1	37,6	86 773,3	34,6	85 903,7	31,2	84 719,3	28,1	84 987,3	28,2
2. Total debt of Extrabudgetary users (A2+B2)	10 244,2	5,7	10 533,1	5,3	11 658,2	5,4	12 684,8	5,5	14 106,4	5,6	16 491,1	6,0	16 200,3	5,4	16 344,2	5,4
3. Local Government total debt (A3+B3)	1 458,1	0,8	1 485,9	0,7	1 682,1	0,8	1 526,3	0,7	1 329,8	0,5	1 619,3	0,6	1 619,3	0,5	1 619,3	0,5
<b>Total guarantees of the Republic of Croatia</b>	<b>16 079,2</b>	<b>8,9</b>	<b>15 419,2</b>	<b>7,8</b>	<b>12 262,3</b>	<b>5,7</b>	<b>12 455,1</b>	<b>5,4</b>	<b>14 188,2</b>	<b>5,7</b>	<b>17 295,1</b>	<b>6,3</b>	<b>17 242,5</b>	<b>5,7</b>	<b>17 360,1</b>	<b>5,8</b>
Foreign guarantees	8 655,3	4,8	8 622,7	4,3	7 710,4	3,6	7 186,7	3,1	6 935,9	2,8	9 427,4	3,4	9 433,4	3,1	9 556,3	3,2
Domestic guarantees	7 423,8	4,1	6 796,5	3,4	4 551,9	2,1	5 268,5	2,3	7 252,3	2,9	7 867,8	2,9	7 809,1	2,6	7 803,8	2,6
<b>Total debt of HBOR</b>	<b>3 824,8</b>	<b>2,1</b>	<b>4 925,3</b>	<b>2,5</b>	<b>5 841,5</b>	<b>2,7</b>	<b>7 139,4</b>	<b>3,1</b>	<b>7 686,3</b>	<b>3,1</b>	<b>9 661,9</b>	<b>3,5</b>	<b>9 573,0</b>	<b>3,2</b>	<b>9 550,1</b>	<b>3,2</b>
Foreign debt of HBOR	3 382,5	1,9	4 597,3	2,3	5 459,3	2,5	6 605,1	2,9	7 338,8	2,9	9 471,2	3,4	9 398,7	3,1	9 374,0	3,1
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	534,2	0,2	347,5	0,1	190,7	0,1	174,3	0,1	176,0	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP



## PUBLIC DEBT AT THE END OF FEBRUARY 2008

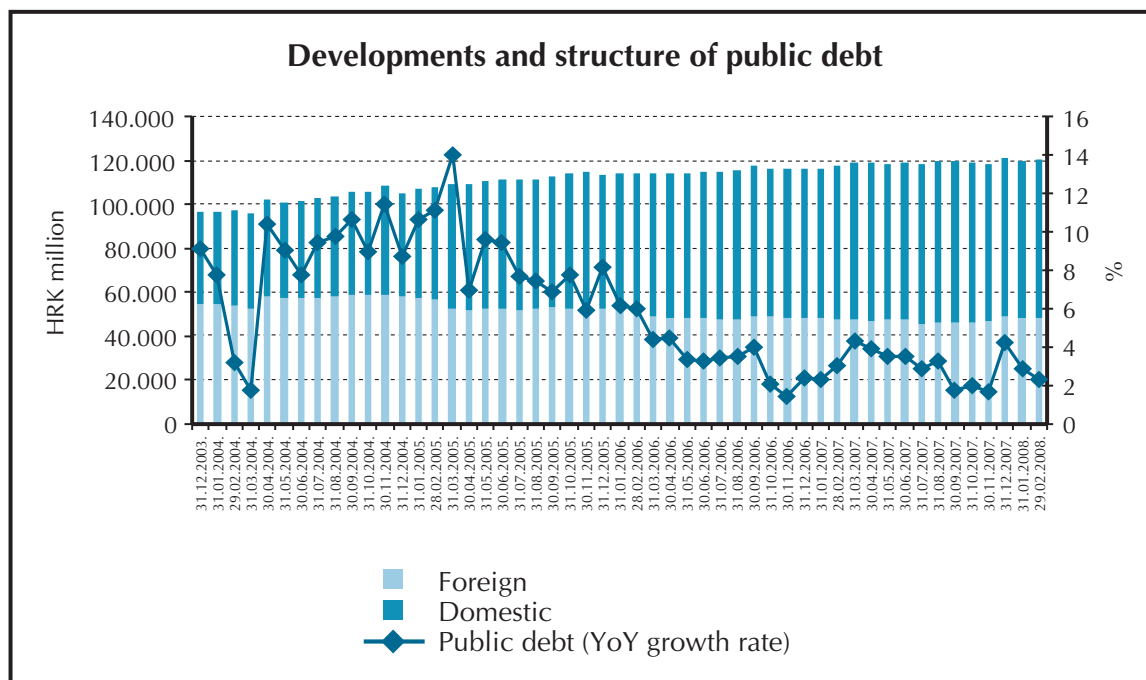
The total public debt of the Republic of Croatia amounted to HRK 120.3 billion at the end of February 2008, thus reaching 39.9 percent of the expected GDP for the year 2008. In comparison with January 2008, public debt increased by HRK 529.5 million. Total general government debt amounted to HRK 103 billion (85.6 percent of total public debt) and total guarantees amounted to HRK 17.4 billion (14.4 percent of total public debt).

Total general government debt recorded an increase of HRK 411.9 million in February 2008 compared to the stock of the previous month. Foreign general government debt component recorded a decrease compared to the previous month in the amount of HRK 189 million due to larger decrease of central government foreign debt than the increase of the foreign debt of the extrabudgetary users. Domestic component of total general government debt recorded a rise compared to the stock of the previous month in the amount of HRK 600.9 million due to the larger increase of central government domestic debt than the increase of the domestic debt of the extrabudgetary users.

According to government level, the largest part of public debt refers to central government (HRK 85 billion), while the debt of extrabudgetary users amounted to HRK 16.3 billion and the debt of local government to HRK 1.6 billion. Central government kept the trend of more pronounced domestic borrowing; 66.4 percent of total central government debt was created by domestic borrowing, while 61.4 percent of extrabudgetary users debt resulted from foreign borrowing.

Total guarantees issued by the Republic of Croatia leveled 5.8 percent of GDP and have increased by HRK 117.6 million in comparison with the previous month as a result of a larger increase in foreign guarantees than the decrease in domestic guarantees. Foreign guarantees account for 55 percent of the total guarantees of the Republic of Croatia.

Total debt of HBOR amounted to HRK 9.6 billion in February 2008 and recorded a decrease of HRK 23 million compared to January 2008 as a result of the decline in foreign component of the debt. Total debt of HBOR was almost entirely (98.2 percent) created by foreign borrowings.



**TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT**  
**DOMESTIC DEBT STOCK IN 000 (FEBRUARY 29, 2008)**

Debt item:	Currency	Stock	Stock / HRK:	Maturity:	Interest rate:
Big Bonds - Series I	HRK	2 054 432	2 054 432	2011	5,00%
Big Bonds - Series II	EUR	37 047	269 610	2011	7,20%
Big Bonds - Series III	EUR	39 488	287 371	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 455 495	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 638 738	2012	6,875%
Bonds - Series 04 D-08	HRK	1 000 000	1 000 000	2008	6,125%
Bonds - Series 05 D-14	EUR	650 000	4 730 359	2014	5,50%
Bonds - Series 07 D-19	EUR	500 000	3 638 738	2019	5,375%
Bonds - Series 08 D-10	HRK	3 000 000	3 000 000	2010	6,75%
Bonds - Series 09 D-15	EUR	350 000	2 547 117	2015	4,25%
Bonds - Series 10 D-15	HRK	5 500 000	5 500 000	2015	5,25%
Bonds - Series 11 D-13	HRK	4 000 000	4 000 000	2013	4,50%
Bonds - Series 12 D-17	HRK	5 500 000	5 500 000	2017	4,75%
BRA Bonds II	EUR	15 141	110 188	2012	5,00%
BRA Bonds III	EUR	40 946	297 981	2012	7,20%
BRA Bonds IV	EUR	20 726	150 830	2012	5,00%
BRA Bonds V-B	EUR	29 018	211 178	2008	7,00%
Syndicated FX loan	EUR	500 000	3 638 738	2010	4,98%
Medium and long term debt			<b>42 030 776</b>		
Treasury Bills	HRK	11 522 000	11 522 000		
	EUR	41 700	303 471		
Other short-term debt	HRK	809 712	809 712		
Short-term debt			<b>12 635 182</b>		
Total debt			<b>54 665 959</b>		

Note: On cash principle. See notes on methodology

Source: Ministry of Finance

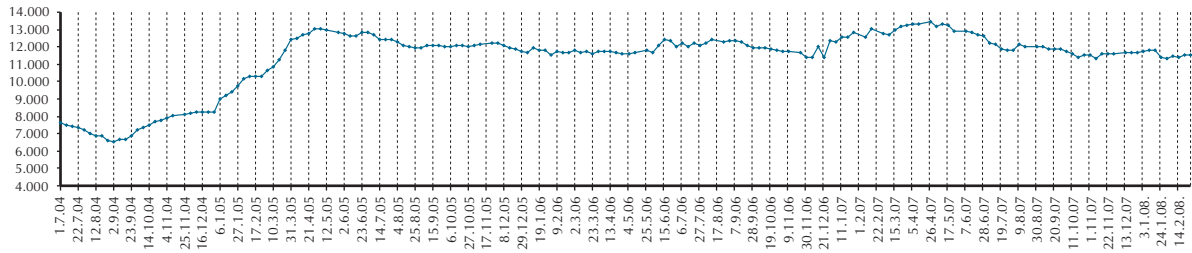
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(000 HRK)	91 days				182 days				364 days				
	Day of Auction	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)
	13.3.2007.	25 000	145 000	99,196/ 3,25%	99,221 / 3,15%	100 000	290 000	98,339 / 3,39%	98,381 / 3,30%	334 000	814 000	96,571 / 3,56%	96,627 / 3,50%
	20.3.2007.	44 000	219 000	99,206/ 3,21%	99,233 / 3,10%	50 000	130 000	98,340 / 3,39%	98,381 / 3,30%	406 000	665 000	96,596 / 3,53%	96,627 / 3,50%
	27.3.2007.	50 000	200 000	99,258/ 3,00%	99,258 / 3,00%	50 000	105 000	98,374 / 3,31%	98,381 / 3,30%	400 000	765 000	96,622 / 3,51%	96,627 / 3,50%
	3.4.2007.	20 000	50 000	99,258/ 3,00%	99,258 / 3,00%	30 000	100 000	98,381 / 3,30%	98,381 / 3,30%	311 000	481 000	96,607 / 3,52%	96,627 / 3,50%
	10.4.2007.	50 000	50 000	99,245/ 3,05%	99,245 / 3,05%	50 000	50 000	98,357 / 3,35%	98,357 / 3,35%	301 000	653 000	96,606 / 3,52%	96,627 / 3,50%
	24.4.2007.									300 000	863 000	96,608 / 3,52%	96,627 / 3,50%
	8.5.2007.	30 000	30 000	99,258/ 3,00%	99,258 / 3,00%	50 000	50 000	98,381 / 3,30%	98,381 / 3,30%	419 000	638 000	96,638 / 3,49%	96,627 / 3,50%
	5.6.2007.									465 000	515 000	96,648 / 3,48%	96,627 / 3,50%
	12.6.2007.	30 000	30 000	99,258/ 3,00%	99,258 / 3,00%	20 000	20 000	98,429 / 3,20%	98,429 / 3,20%	301 000	301 000	96,618 / 3,51%	96,534 / 3,60%
	3.7.2007.	20 000	20 000	99,258/ 3,00%	99,258 / 3,00%					113 000	253 000	96,908 / 4,28%	96,395 / 3,75%
	17.7.2007.	20 000	20 000	99,197/ 3,25%	99,184 / 3,30%	2 000	2 000	98,300 / 3,47%	98,300 / 3,47%	165 000	177 000	96,118 / 4,05%	96,934 / 4,25%
	24.7.2007.	20 000	30 000	99,176/ 3,33%	99,209 / 3,20%	20 000	22 000	98,338 / 3,39%	98,357 / 3,35%	395 000	445 000	95,698 / 4,51%	95,523 / 4,70%
	31.7.2007.		30 000	99,110/ 3,60%			62 000	97,886 / 4,33%		399 000	682 000	95,676 / 4,53%	95,614 / 4,60%
	7.8.2007.		20 000	99,135/ 3,50%		20 000	52 000	98,239 / 3,59%	98,333 / 3,40%	697 000	937 000	95,754 / 4,45%	95,705 / 4,50%
	28.8.2007.		30 000	99,160/ 3,40%		5 000	35 000	98,312 / 3,44%	98,333 / 3,40%	345 000	913 000	95,811 / 4,38%	95,842 / 4,35%
	4.9.2007.	20 000	30 000	99,168/ 3,37%	99,172/ 3,35%	30 000	30 000	98,309 / 3,45%	98,309 / 3,45%	300 000	450 000	96,021 / 4,16%	95,980 / 4,20%
	11.9.2007.					50 000	130 000	98,260 / 3,55%	98,381 / 3,30%	271 000	322 000	96,061 / 4,11%	96,026 / 4,15%
	18.9.2007.	30 000	50 000	99,179/ 3,32%	99,209/ 3,20%		25 000	98,247 / 3,58%		275 000	500 000	96,022 / 4,15%	96,118 / 4,05%
	25.9.2007.	20 000	30 000	99,151/ 3,43%	99,172 / 3,35%	40 000	50 000	98,304 / 3,46%	98,285 / 3,50%	265 000	295 000	96,050 / 4,12%	96,026 / 4,15%
	2.10.2007.	10 000	10 000	99,123/ 3,55%	99,123 / 3,55%					350 000	415 000	96,027 / 4,15%	95,705 / 4,50%
	9.10.2007.	10 000	10 000	99,110/ 3,60%	99,110 / 3,60%	10 000	10 000	98,092 / 3,90%	98,092 / 3,90%	255 000	255 000	95,721 / 4,48%	95,705 / 4,50%
	16.10.2007.	5 000	5 000	99,098/ 3,65%	99,098 / 3,65%	5 000	25 000	97,954 / 4,19%	98,068 / 3,95%	288 000	333 000	95,743 / 4,46%	95,705 / 4,50%
	23.10.2007.	55 000	60 000	99,107/ 3,61%	99,098 / 3,65%	50 000	105 000	98,033 / 4,02%	98,092 / 3,90%	530 000	620 000	95,749 / 4,45%	95,705 / 4,50%
	30.10.2007.	55 000	60 000	99,107/ 3,61%	99,098 / 3,65%	100 000	110 000	98,120 / 3,84%	98,116 / 3,85%	261 000	536 000	95,633 / 4,58%	95,705 / 4,50%
	6.11.2007.	50 000	50 000	99,110/ 3,60%	99,110 / 3,60%	7 000	7 000	98,116 / 3,85%	98,116 / 3,85%	76 000	76 000	95,497 / 4,73%	95,477 / 4,75%
	13.11.2007.	50 000	60 000	99,098/ 3,65%	99,110 / 3,60%	50 000	60 000	98,092 / 3,90%	98,116 / 3,85%	172 000	247 000	95,494 / 4,73%	95,523 / 4,70%
	20.11.2007.					10 000	10 000	98,164 / 3,75%	98,164 / 3,75%	222 000	232 000	95,494 / 4,73%	95,341 / 4,90%
	27.11.2007.									10 000	22 000	95,231 / 5,02%	95,342 / 4,90%
	11.12.2007.	150 000	150 000	99,110/ 3,60%	99,110 / 3,60%	150 000	150 000	98,164 / 3,75%	98,164 / 3,75%	422 000	562 000	95,270 / 4,98%	95,251 / 5,00%
	18.12.2007.	50 000	50 000	99,110/ 3,60%	99,110 / 3,60%	50 000	50 000	98,164 / 3,75%	98,164 / 3,75%	358 000	398 000	95,227 / 5,03%	95,160 / 5,10%
	2.1.2008.									330 000	332 000	95,203 / 5,05%	95,160 / 5,10%
	8.1.2008.	10 000	10 000	99,098/ 3,65%	99,098 / 3,65%	10 000	10 000	98,068 / 3,95%	98,068 / 3,95%	464 000	484 000	95,264 / 4,99%	95,160 / 5,10%
	22.1.2008.									12 000	12 000	95,213 / 5,04%	95,205 / 5,05%
	5.2.2008.	150 000	150 000	99,074/ 3,75%	99,074 / 3,75%					24 000	45 000	94,883 / 5,41%	95,251 / 5,00%
	12.2.2008.	100 000	100 000	99,074/ 3,75%	99,074 / 3,75%					134 000	154 000	95,098 / 5,17%	94,800 / 5,50%
	19.2.2008.	25 000	25 000	99,074/ 3,75%	99,074 / 3,75%					105 000	105 000	94,800 / 5,50%	94,800 / 5,50%

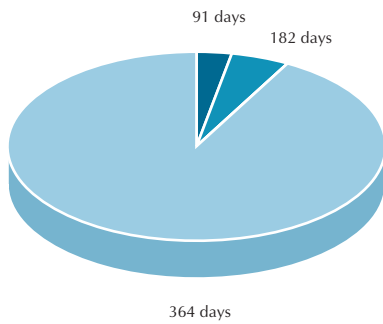
Note: See notes on methodology

Source: Ministry of Finance

## T-Bill's Outstanding Debt

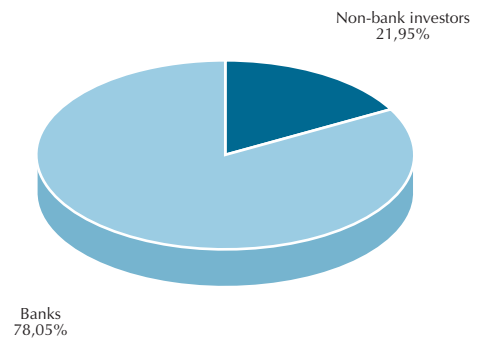


### Structure of outstanding T-Bill's on 29 February 2008

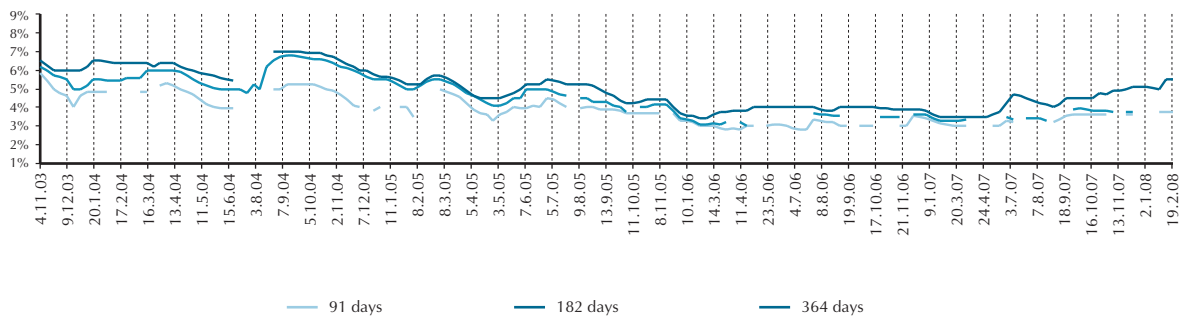


### Structure of bids accepted according to buyers

#### T-Bill's Auctions



## Annual yield on T-Bills



## NOTES ON METHODOLOGY

### CROLEI Index

Based on the so-called leading indicators, the Economic Institute in Zagreb and the Ministry of Finance compile the **CROLEI (CROatian Leading Economic Indicator)**, a composite forecast index created in accordance with the methodology of the National Bureau of Economic Research in the United States. The index predicts standard economic cycles as well as economic growth cycles in Croatia using the industrial production volume index as the reference series. In November of 2007, a thorough revision of the system of indicators, methodological procedures and CROLEI index itself took place.

The new revised index combines seven best-performing leading indicators, whose average prognostic power has increased significantly compared to the previous index, with an average prediction time of eight months in relation to the referent series. The revised index includes three components of the previous prognostic measure indicating the reliability of the method of indicators. According to the standards of the method, this represents a very stable and highly significant relation between the indicator and the referent series, which greatly helps the overall economic activity forecasting. The seven leading indicators included in the calculation of the new CROLEI index are: unemployment benefits beneficiaries, retail trade turnover, producers' price indices in the EU-25, unconsolidated budget revenues, total cash of participants in the payment system, loans to households and cash market interest rate on kuna credits not indexed to foreign currency.

In addition to CROLEI, the diffusive index is compiled as well and it is compatible with CROLEI. Its trend efficiently predicts changes in the trend of the economy.

### Table 2: Central Budget Revenues

**Central budget revenue (1)**, according to the International Monetary Fund's GFS 2001 methodology (Government Finance Statistics), is an increase in net worth resulting from a financial transaction in relation to Government. According to this methodology, central budget revenues are composed of main categories as follows: taxes (11), social contributions (12), grants (13) and other revenue (14).

**Taxes (11)** are compulsory transfers to the Government sector, composed of following categories:

- *Taxes on income, profits and capital gains (111)* are attributed either to individuals (1111) who pay income tax or to corporations and other enterprises (1112) that pay profit tax. In cases when the information needed to determine to which of the mentioned categories taxes should be attributed is not available, the taxes are treated as not allocable (1113).
- *Taxes on payroll and workforce (112)* consist of taxes that are collected from employers or self-employed persons, either as a proportion of payroll size or as a fixed amount per person, and are not earmarked for social security schemes. Since this category doesn't exist in the tax system of the Republic of Croatia, it is not published in the report on Central Budget Revenues.
- *Taxes on property (113)* include taxes on the use, ownership or transfer of wealth. According to GFS 2001 methodology, it encompasses recurrent taxes on immovable property (1131), recurrent taxes on estate, inheritance and gifts (1133) as well as taxes on financial and capital transactions (1134). In the report on Central Budget Revenues, this category consists only of taxes on property.
- *Taxes on goods and services (114)* include all taxes levied on the production, extraction, sale, transfer, leasing or delivery of goods and rendering of services. Taxes on goods and services include: general taxes on goods and services (1141) that are divided into value added tax (11411), sales tax (11412) and turnover and other general taxes on goods and services (11413); excises (1142); profits on fiscal monopolies (1143); taxes on specific services (1144); taxes on use of goods and on permission to use goods or perform activities (1145); and other taxes on goods and services (1146). Taxes on specific services (1144) include all taxes levied on payments for specific services, such as taxes on transport charges, insurance premiums, banking services, entertainment and advertising charges. Taxes on use of goods and on permission to use goods or perform activities (1145) include various business and professional licences.
- *Taxes on international trade and transactions (115)* include customs and other import duties collected on goods entering the country or services delivered by non-residents to residents. This item also includes taxes on exports, profits on export or import monopolies, exchange profits, exchange taxes and other taxes on international trade and transactions.
- *Other taxes (116)* cover revenue from taxes levied predominantly on bases other than those described under previous tax headings. It also includes revenue from unidentified taxes that can't be classified in one of the mentioned tax categories.

**Social contributions (12)**, within the tax system of the Republic of Croatia, encompass relevant contributions to social security schemes (121), which are classified according to source of contribution as follows:

- *Employee contributions (1211)* are either paid directly by employees or are deducted from employees' wages and salaries and transferred on their behalf by the employer.
- *Employer contributions (1212)* are paid directly by employers on behalf of their employees.
- *Self-employed or non-employed contributions (1213)* are paid by contributors who are not employees.
- *Unallocable contributions (1214)* are those contributions whose source cannot be determined (For 2002, most data in the table falls into this category because at the time the same contributions were paid partly by the employee and partly by the employer and it was impossible to separate the two).

**Grants (13)** are non-compulsory current or capital transfers received by a government unit from other general government units, foreign governments or international organization.

**Other revenues (14)** are composed of property income (141), sales of goods and services (142), fines, penalties and forfeits (143), voluntary transfers other than grants (144) and miscellaneous and unidentified revenue (145).

Property income (141) includes a variety of forms of revenue that government units earn from financial and/or nonproduced assets that they own: interest (1411), dividends (1412), withdrawals from income of quasi-corporations (1413), property income from insurance policyholders (1414) and rent (1415), which is property income received from the lease of land and other naturally occurring assets. Revenues from sales of goods and services

(142) refer to sales by market establishments (1421) owned by government which carry out only a single productive activity or the principal productive activity accounts for most of the value added; then administrative fees (1422) and incidental sales by non-market establishments (1423).

Voluntary transfers other than grants (144) include gifts and voluntary donations from individuals, private non-profit institutions, nongovernmental foundations, corporations and any other source other than governments and international organizations.

As of 1<sup>st</sup> of July 2001, Central Budget revenues include pension insurance contributions, which were, prior to that revenue of the Croatian Institute for Pension Insurance. Also, as of 1<sup>st</sup> of January 2002, health insurance contributions and employment contributions, which were prior to that revenues of the Croatian Employment Service and the Croatian Health Insurance Institute, are included in the Central Government Budget. All mentioned revenues are classified according to the GFS 2001 methodology.

By the end of 2001, two new extra-budgetary funds were founded: Regional Development Fund as well as the Development and Employment Fund. They took over some of the Central Budget activities as well as the receipts from privatisation of public enterprises. As of 1<sup>st</sup> of January 2003, these funds have been included in the coverage of the Central Government Budget.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

### **Table 3: Central Budget Expense**

**Central Budget Expense (2)** is, according to the International Monetary Fund's GFS 2001 (Government Finance Statistics) methodology, a decrease in net worth resulting from a financial transaction in relation to Government. According to this methodology, central budget expenses are composed of the following main categories: compensation of employees (21), use of goods and services (22), consumption of fixed capital (23), interest (24), subsidies (25), grants (26), social benefits (27) and other expense (28).

**Compensation of employees (21)** is the total remuneration, in cash or in kind, payable to a government employee. It includes both wages and salaries (211) and social contributions (212) made on behalf of employees to social insurance schemes.

**Use of goods and services (22)** represents the total value of goods and services purchased by government sector for use in a production process or acquired for resale less the net change in inventories of those goods and services.

**Consumption of fixed capital (23)** is the decline during the course of an accounting period in the value of fixed assets, as a result of physical deterioration, normal obsolescence or normal accidental damage. Namely, consumption of fixed capital is not included in budgetary reports because such data are still not available for the report purposes, according to the GFS 2001 methodology.

**Interest (24)** is an expense resulting from a government unit borrowing funds from another unit. Total interest payable is subdivided into interest payable to non-residents (241), interest payable to residents other than general government (242) and interest payable to other general government units (243).

**Subsidies (25)** are current non-repayable payments that government makes to enterprises based on the level of their production activities or the quantities or values of goods or services they produce, sell, export or import. Subsidies also include transfers to public corporations and quasi-corporations aimed to compensate for losses arising from pricing policies that reflect deliberate government economic and social policy by charging prices that are lower than the average cost of production. Subsidies are classified by recipient type: whether it is a public financial/nonfinancial enterprise (251) or private financial/nonfinancial enterprise (252).

**Grants (26)** are non-compulsory current or capital transfers, in cash or kind, classified by type of recipients: grants to foreign government (261), grants to international organizations (262) and grants to other general government units (263).

**Social benefits (27)** are defined as current transfers, classified according to the type of scheme governing their payment:

- *Social security benefits (271)* are social benefits payable to households by social security schemes. Typical social security benefits in cash include sickness and invalidity benefits, maternity allowances, children's or family allowances, unemployment benefits, retirement and survivors' pensions. In-kind benefits from insurance include goods and services acquired on the market for the household, or reimbursement for household expenses for that purpose. Medical or dental treatments, surgery, hospital accommodation, pharmaceutical products, home care and similar goods and services fall into this category.
- *Social assistance benefits (272)* are transfers payable to households and aimed to cover the same needs as social insurance benefits but that are not subject to social insurance schemes. Social assistance benefits may be paid in cases when no social insurance scheme exists to cover the circumstances in question, when households do not participate in existing social insurance schemes, or when social insurance benefits are inadequate to meet particular needs. In the Republic of Croatia, a larger part of this category refers to child allowances, various aids to families and households, disabled persons, etc. Grants in kind include co-financing of transportation costs, home care, accommodation, food and other similar goods and services.
- *Employer social benefits (273)* are social benefits payable by government to their employees similar to social insurance schemes. In the Republic of Croatia, a major part of this category relates to severance payments.

**Other expense (28)** is subdivided into two main categories:

- *Property expense other than interest (281)* may take the form of dividends (as distributions of profits by public corporations to their shareholders or owners), withdrawals from income of quasi-corporations, property income from insurance policyholders or rent (as the expense related to the lease of land, subsoil assets and other nonproduced naturally occurring assets). Rent of land is the most important in this category.
- *Miscellaneous expense (282)* includes a number of current or capital transfers such as: current transfers to non-profit institutions, payments of compensation for injuries or damages caused by natural disasters or caused by general government units, scholarship, purchases of goods and services from market producers that are distributed directly to households for consumption (except social benefits), capital grants to enterprises and non-profit institutions serving households for the acquisition of nonfinancial assets or coverage of accumulated losses, capital grants to households for construction and reconstruction purposes, etc.

As of 1<sup>st</sup> of July 2001, Central Government Budget expense includes the expense for domestic pensions, which was prior to that expense of the Croatian Institute for Pension Insurance.

As of 1<sup>st</sup> of January 2002, Central Government Budget expense includes the expense originating from employment rights as well as expense based on health insurance, which were prior to that expenses of the Croatian Employment Service and Croatian Health Insurance Institute respectively.



As of 1<sup>st</sup> of January 2004, Central Government Budget expense includes the expense for foreign pensions, which was prior to that expense of the Croatian Institute for Pension Insurance.

All mentioned expenses are classified according to the GFS 2001 methodology.

As of 1<sup>st</sup> of January 2003, the coverage of the Central Government Budget is expanded by classifying the Regional Development Fund and the Development and Employment Fund as budget users, which were prior to that classified as extrabudgetary funds.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

#### **Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government**

**Nonfinancial assets (31)** usually occur as outputs from a production process, as natural resources or as a creation of society. Depending on that, nonfinancial assets are classified as produced and nonproduced nonfinancial assets. According to GFS 2001 methodology, all assets, including nonfinancial assets, as well as liabilities are observed from several aspects using different classifications identified by different codes. Those classifications are then further subdivided in groups according to categories of assets/liabilities which are identical among classifications. Namely, GFS 2001 observes assets and liabilities from the aspects of: transactions (classification 3); gains/losses from holdings of assets and liabilities (classification 4); other flows in assets/liabilities (classification 5); and stocks (classification 6). Currently, the data needed to produce classifications 4, 5 and 6 is not available in the Republic of Croatia. As a result, the reports include only data on transactions (code 31 for nonfinancial assets). In this sense, the following definitions and codes should be acknowledged.

**Produced nonfinancial assets** are composed of following components, according to GFS 2001:

- *Fixed assets (311)* represent produced assets that are used repeatedly or continuously in the production process for more than one year. Fixed assets are composed of three main categories:
  - buildings and structures (3111), which by the existing chart of account also includes the subgroup of construction objects;
  - machinery and equipment (3112), which by existing chart of accounts also includes the subgroup of transportation machinery as well as the subgroup of books, artworks and other art values;
  - other fixed assets (3113), which also includes cultivated assets (animal stock, plantations) as well as nonmaterial produced assets (investment in computer programs, science works etc.)
- *Inventories (312)* represent goods and services held by producers for sale, use in production or other use at a later date. Inventories are classified as strategic stocks (which include goods held for strategic and emergency purposes, goods held within organizations acting as market regulators as well as goods of special national interest) and other inventories (which consist of materials and supplies used in production process, work in progress, finished goods and goods for resale). Usually, those transactions appear with a small share in the budget.
- *Valuables (313)* are produced goods of considerable value that are acquired and held over time primarily as stores of value and not for purposes of production or consumption (precious stones, paintings, sculptures etc.).

**Nonproduced nonfinancial assets (314)** consist of tangible, naturally occurring assets over which ownership rights are enforced, and intangible nonproduced assets (3144) which are of social origin (patents, leasing contracts, goodwill etc.). Naturally occurring assets include land (3141), subsoil assets (3142) and other naturally occurring assets (3143), e.g. electro-magnetic frequencies.

All transactions that increase the value of a certain fixed asset are called **acquisitions**, while transactions that reduce the value of a certain category are called **disposals**. In order to record separately acquisitions and disposals, additional sub-codes are added after the code's decimal point (comma): number 1 to denote acquisitions and number 2 to denote disposals.

For example, the construction of a school building or a hospital is treated as an acquisition of fixed assets, i.e. buildings and structures (3111,1), while sales of public flats are denoted as sales of fixed assets (3111,2). Similarly, purchases of cars and computer equipment are treated as acquisitions of fixed assets, namely under machinery and equipment (3112,1) while sales of the same are denoted as sales of fixed assets (3112,2). As an exception according to the GFS 2001 methodology, inventories are presented only as net changes resulting from transactions and not as gross values for acquisitions and disposals.

#### **Table 5: Transactions in Financial Assets of Budgetary Central Government**

**Financial assets (32)** consist of financial claims, monetary gold and special drawing rights (SDR).

Financial claims are defined as financial assets which entitles one unit (creditor) to receive one or more payments from another unit (debtor) according to the terms of the agreement. Claims can figure as claims on other units, domestic (321) or foreign (322). The classification of financial assets is primarily based upon the degree of liquidity and legal characteristics of the instruments that describe the underlying creditor-debtor relationships: currency and deposits, securities other than shares, loans, shares and other equity, insurance technical reserves, financial derivatives and other accounts receivable.

Monetary gold and SDRs are not financial claims, which mean that they are not the liability of any other unit. They do, however, provide economic benefits by serving as a store of value and they are used as a means of payment to settle financial claims and finance other types of transactions. As a result, they are, by convention, treated as financial assets.

All transactions that increase a unit's holdings of assets are labelled as **acquisitions** and all transactions that decrease a unit's holdings of assets are labelled as **disposals**. According to GFS 2001, it is customary to present only net acquisition of financial assets but here the data is presented through acquisitions and disposal due to transparency. The same coding system described in nonfinancial assets is also used for financial assets. For example, government loans to domestic units should be classified as acquisition of financial assets (3214,1) and their repayment by domestic units to government should be classified as disposal of financial assets (3214,2). Also, privatisation is a typical example of transactions in financial assets. Namely, sales of domestic public enterprise shares (privatisation) should be recorded as disposals of shares and other equity (3215,2) and purchase of some enterprise shares by government should be recorded as acquisitions of shares and other equity (3215,1).

## **Table 6: Transactions in Liabilities of Budgetary Central Government**

Upon the creation of a financial claim of the creditor, the debtor, as the counterpart of the financial asset, simultaneously incurs a **liability (33)** of equal value. As well as transactions in financial assets, transactions in liabilities are defined as domestic (331) or foreign liabilities (332). The classification of liabilities is primarily based upon the degree of liquidity and legal characteristic of the instruments that describe the underlying creditor-debtor relationships: currency and deposits, securities other than shares, loans, shares and other equity (only of public corporations so they don't appear in the budget), insurance technical reserves, financial derivatives and other accounts receivable.

Transactions that increase the level of liabilities are referred to as **incurrence** of liabilities, while transactions that decrease the level of liabilities are referred to as **repayment**. As in the case of financial assets and due to transparency, the reports present gross repayments (denoted by number 1) and incurrence (denoted by number 2). For example, bonds issued by government in the foreign financial market are classified as foreign incurrence of securities other than shares (3323,2), and their redemptions should be recorded as repayment of securities other than shares (3323,1). Also, when the government borrows from domestic units, this transaction should be recorded as incurrence of loans (3314,2) and their redemption should be recorded as repayment of loans (3314,1). The only exception are repayments of short-term loans and the amortization of short-term securities performed within the same year that are, according to Article 59, point (3) of the Budget Accounting and Chart of Accounts Rulebook ("Official Gazette" 119/2001, 74/2002 and 3/2004), presented as net value, hence as a reduction in incurrence rather than as a repayment.

The result of net transactions in liabilities (33) and net transactions in financial assets (32) is defined as financing.

## **Table 7: Transactions in financial assets and liabilities, by sectors**

Table 7 represents a summary of transactions in financial assets and liabilities by sector. Data for Budgetary Central Government, Extrabudgetary funds and Consolidated Central Government is published monthly, while data for Local Government and Consolidated General Government is published quarterly.

## **Table 8-8B**

According to the GFS 2001 methodology, the Statement of Budgetary Central Government Operations details data on transactions in revenues (1), transactions in expenses (2), net transactions of nonfinancial assets (31), net transactions of financial assets (32) and net transactions of liabilities (33).

**Operating balance** is equal to revenue (1) minus expense (2).

Operating balance represents a measure of total cost of public goods and services. Positive operating balance increases net worth of the public sector indicating an excess of resources which are direct result of current operations and which can be used to acquire assets and/or to reduce liabilities. On the other hand, negative operating balance indicates a shortage of resources which is the result of current operations and, which reduces net worth and thus results as an increase in liabilities and/or sales of assets. Hence, operating balance is the indicator of sustainability of current government operations, but it is not necessarily an indicator of sustainability of future government operations. Value of operating balance is close to current deficit/surplus as defined according to GFS 1986. **Net operating balance** equals revenue (1) minus expense (2). The **gross operating balance** equals revenue (1) minus expense (2) other than consumption of fixed capital (23). In Croatia, the gross and net operating balance is the same due to the lack of data on consumption of fixed capital.

**Primary operating balance** is equal to operating balance (revenue minus expense) augmented by interest expense and serves as an indicator of current fiscal policy considering that it does not include interest expense and hence excludes effects of past deficits and accumulated public debt from the balance.

**Net lending/borrowing** is equal to operating balance minus net acquisition of nonfinancial assets. Net lending/borrowing is also equal to net acquisition of financial assets minus net incurrence of liabilities or in other words, the amount of net lending/borrowing is financed with the difference between the net incurrence of liabilities and net acquisition of financial assets. This measure can serve as an indicator of financial effect of government operations to the rest of the economy: positive net lending/borrowing implies that the government is placing financial assets to domestic sectors or abroad, while negative net lending/borrowing implies an incurrence of liabilities from domestic sectors or abroad by the government.

## **Tables 9-14**

According to Article 3 of the Budget Act ("Official Gazette" 96/2003), extrabudgetary users are extrabudgetary funds, enterprises and other legal entities in which the central or local government has decisive management control. An extrabudgetary fund is an extrabudgetary user; a legal entity created by law and financed by specific contributions and other revenues.

The Croatian Institute for Pension Insurance, Croatian Health Insurance Institute, Croatian Employment Service and the public enterprise "Croatian Waters" have been classified as extrabudgetary funds since 1994. By the end of 2001 two more funds were created, namely the Development and Employment Fund and the Regional Development Fund, which took over some of the Central Budget activities resulting in an expansion of the coverage of extrabudgetary funds since the 1<sup>st</sup> of January 2002. As of the 1<sup>st</sup> of January 2003, these funds have ceased as extrabudgetary funds and have been included in the coverage of the Central Government Budget as budgetary funds/users.

As of the 1<sup>st</sup> of July 2001, revenues from pension insurance contributions and expenses for pensions have been transferred from the Croatian Institute for Pension Insurance to Central Government Budget. The largest share of pension payments (domestic pensions) is now paid directly through the State Treasury, while the remaining payments are performed through the Croatian Institute for Pension Insurance.

As of the 1<sup>st</sup> of January 2002, revenues from contributions and expenses for settlement of particular obligations of the Croatian Health Insurance Institute and Croatian Employment Service have been transferred to the Central Government Budget (through the State Treasury system). Currently, contributions for pension insurance amount to 20percent of the salary (persons that participate in the second pillar of the pension insurance system pay 15percent for the first pillar plus 5percent for the second pillar). Contributions paid by employers include special contributions for the insurance against work injuries and professional diseases in the amount of 0.5percent on salaries, health insurance contributions amounting 15percent on salaries as well as employment contributions in the amount of 1.7percent on salaries.

In April of 2001, two new state-owned legal entities were created, namely the Croatian Motorways and Croatian Roads. These entities took over the functions of the former Croatian Road Authority. Data on these entities as well as data on the State Agency for Deposit Insurance and Bank Rehabilitation

and the Croatian Privatization Fund was presented in the reports of 2002 according to the requirements of the IMF methodology. Since 2003, they have become part of the official coverage of Consolidated Central Government, which is used in the process of budget creation.

Since the 1<sup>st</sup> of January 2004, the coverage of extrabudgetary funds also includes the Environment Protection Fund. Further, since the 1<sup>st</sup> of May 2004, payments of foreign pensions have been performed directly through the State Treasury and no longer by transfer to the Croatian Institute for Pension Insurance.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

Tables 9-14 detail data on revenue and expense according to the economic classification as well as transactions in nonfinancial assets, financial assets and liabilities for each extrabudgetary fund.

### **Table 15: Consolidated Central Government by Economic Category**

The Consolidated Central Government according to GFS 2001 methodology is equivalent to the Consolidated Central Government Budget according as defined by the Budget Act (Consolidated State Budget and financial plans of extrabudgetary users).

The Consolidated Central Government Budget results from the consolidation of financial transactions between the State Budget and extrabudgetary users, as well as between the extrabudgetary users themselves.

Table 15 presents the Consolidated Central Government's revenue and expense as well as the transactions in nonfinancial assets, financial assets and liabilities according to the economic classification.

### **Table 16: Consolidated Central Government According to Government Level**

Table 16 gives summary of revenue, expense, transactions in nonfinancial assets, financial assets and liabilities for each of the component of the Consolidated Central Government, namely the Budgetary Central Government and extrabudgetary users (disaggregated).

### **Table 16A-16B**

**Operating balance** is equal to revenue (1) minus expense (2).

Operating balance represents a measure of total cost of public goods and services. Positive operating balance increases net worth of the public sector indicating an excess of resources which are direct result of current operations and which can be used to acquire assets and/or to reduce liabilities. On the other hand, negative operating balance indicates a shortage of resources which is the result of current operations and, which reduces net worth and thus results as an increase in liabilities and/or sales of assets. Hence, operating balance is the indicator of sustainability of current government operations, but it is not necessarily an indicator of sustainability of future government operations. Value of operating balance is close to current deficit/surplus as defined according to GFS 1986. **Net operating balance** equals revenue (1) minus expense (2). The **gross operating balance** equals revenue (1) minus expense (2) other than consumption of fixed capital (23). In Croatia, the gross and net operating balance is the same due to the lack of data on consumption of fixed capital.

**Primary operating balance** is equal to operating balance (revenue minus expense) augmented by interest expense and serves as an indicator of current fiscal policy considering that it does not include interest expense and hence excludes effects of past deficits and accumulated public debt from the balance.

**Net lending/borrowing** is equal to operating balance minus net acquisition of nonfinancial assets. Net lending/borrowing is also equal to net acquisition of financial assets minus net incurrence of liabilities or in other words, the amount of net lending/borrowing is financed with the difference between the net incurrence of liabilities and net acquisition of financial assets. This measure can serve as an indicator of financial effect of government operations to the rest of the economy: positive net lending/borrowing implies that the government is placing financial assets to domestic sectors or abroad, while negative net lending/borrowing implies an incurrence of liabilities from domestic sectors or abroad by the government.

### **Table 17: Local Government Transactions (the largest 53 units)**

Table 17 details data on revenue and expense of local governments (53 largest units that include counties, the City of Zagreb and other 32 cities, which make up to 70-80 percent of total transactions and which are in this sense observed since 2001) according to economic category as well as data on transactions in nonfinancial assets, financial assets and liabilities. Table 20 is published quarterly according to financial reports of the Financial Agency (FINA).

According to the Law on Financing of Local Governments ("Official Gazette" 117/93, 69/97, 33/00, 127/00, 59/01, 107/01, 117/01, 150/02 and 147/03) local governments acquire revenue from own sources, through mutual taxes and through grants from state and county budgets.

Counties own sources of revenues are as follow: income from own assets, county taxes (inheritance and gift tax, motor vehicle tax, seafaring and freshwater vessel tax, gaming machine tax), monetary fines, confiscated assets and other revenue as stipulated by special legislation.

The own sources of revenues of municipalities and cities are: income from own assets, municipal taxes (consumption tax, vacation houses tax, public land use tax, tax on uncultivated agricultural land, tax on unused entrepreneurial real estate, tax on unused construction land, tax on company name), monetary fines, administrative fees, residence fees, utility charges, charges for the use of public municipal or urban land and other revenue as stipulated by special legislation. Beside this, cities and municipalities can impose surtax to income tax as an additional revenue source (up to 10 percent in municipalities, up to 12 percent in cities below 30,000 inhabitants, up to 15percent in cities with the population above 30,000 and up to 30 percent in the City of Zagreb).

Mutual taxes of central budget and local and regional self-government units are: property sales tax (the share of municipalities and cities is 60 percent and that of the central budget 40 percent), personal income tax (municipalities and cities receive 52 percent increased by share of decentralized functions, counties 15 percent also increased by share of decentralized functions, the share of grants for adjustment for decentralized functions is

21 percent and the share for decentralised function is 12 percent. City Zagreb receives 67 percent of personal income tax increased by share for decentralised functions. For those municipalities and cities on islands that reach an agreement on mutual financing of a capital project concerning island development the share of personal income tax increases by 21 percent. Municipalities and cities located in the Areas of Special State Concern or in the Mountain Areas, the share of personal income tax amount to 90 percent.

The part of personal income tax revenue which is allotted from central budget to local governments on the basis of decentralized functions is treated as grant from other general government units according to GFS 2001 methodology.

### **Table 18: Consolidated General Government by Economic Category**

Table 18 details data by economic category on revenue and expense as well as data on transactions in nonfinancial assets, financial assets and liabilities of the Consolidated General Government and it is published quarterly.

In terms of the Budget Act, the **Consolidated Budget of Republic of Croatia** represents the Consolidated Central Government and Consolidated Local Governments Budget. In terms of the GFS 2001 methodology it relates to Consolidated General Government.

**The Consolidated General Government** is the result of the consolidation of transactions on all government levels and among them - Central Budget, Extrabudgetary Users and Local Government Budgets (the largest 53 units).

### **Table 19: Consolidated General Government by government level**

Table 19 details data on aggregate amounts of revenue, expense, transactions in nonfinancial and financial assets as well as transactions in liabilities for each component of the Consolidated General Government: Central Budget, Extrabudgetary Users and Local Government Budgets (the largest 53 units). It is published quarterly and for further methodology notes see explanation for table 18.

### **Table 20: General Government debt stock**

This table presents foreign and domestic debt of the Central Government including agencies (HAC, HC, DAB and HFP), Extrabudgetary funds and Local Government. In compliance with Stand-by Arrangement, debt data also includes guarantees of Republic of Croatia (domestic and foreign) and the debt of Croatian Bank for Reconstruction and Development (HBOR). According to the Budget Act (Official Gazette no. 96/2003), public debt is defined as the debt of the Consolidated Budget of the Republic of Croatia plus issued total guarantees.

In December of 2003, debt of HAC, HC, DAB and HFP was classified from Central Government sector to Extra-budgetary funds sector.

The International Monetary Fund and the World Bank introduced a new international reporting standard on external debt in 2004. The new standard is based on recommendations derived from the new External Debt Statistics - Guide for Compilers and Users and is accepted by countries members of the Special Data Dissemination Standard - SDDS. Since Croatia is member the SDDS, the Ministry of Finance started compiling external debt data according to the new standard since the beginning of 2005. Data in line with the new standard is available since the no. 115 of the Monthly Statistical Review.

### **Table 21: Consolidated Central Government Domestic Debt**

**Frozen Foreign Exchange Deposits** - at the end of 1991 and based on a directive of the Croatian Government ("Official Gazette" 71/91, 3/92, 12/92, 71/92, 103/93), the foreign exchange deposits of citizens in banks operating in the Republic of Croatia as of the 27<sup>th</sup> of April 1991 were converted into public debt of the Republic of Croatia. The deposits were augmented by the corresponding interest rate payments in 1991. The claims amounting DEM 5.034 billion were substituted by bonds of the Republic of Croatia repaid in twenty semi-annual instalments beginning as of 30<sup>th</sup> of June 1995.

**Big Bonds** were issued in 1991 with a DEM 1,550.09 million nominal value. In 1996 Big Bonds were split into Big Bonds I, Big Bonds II (Riječka banka and Splitska banka), Big Bonds III (Privredna banka) and Big Bonds IV (Privredna banka). Big Bonds IV (Privredna Banka) were redeemed in 2000. In April 2000, the Government replaced the old Big Bonds I, which were not paying interest, with new bonds for economic restructuring (Big Bonds I). The new Big Bonds I mature in 2011 and pay an annual interest rate of 5percent.

**Reconstruction Bonds** were issued in 1992 and 1993 ("Official Gazette" No. 65/91) in order to collect funds to finance the reconstruction of war-damaged commercial, religious and cultural heritage structures. There were 3 bond issues: the first issue had a value of DEM 50 million and USD 30 million, the second issue was worth CAD 10 million, while the third issue had a value of AUD 25 million.

**Bonds - Series D** are issued through a syndicate of domestic banks in order to foster the development of domestic capital markets. Bonds Series 01 D-04 were issued in 2001 with a EUR 200 million nominal value, maturing in three years with an annual interest rate of 6.5percent ("Official Gazette" No. 80/2001). Bonds Series 02-D8 were issued in 2001 with a EUR 200 million nominal value, for a seven-year period and 6.875percent annual interest rate ("Official Gazette" No. 112/2001). Bonds Series 03 D-12 were issued in three tranches. The first two issues took place in 2002 with a EUR 300 million nominal value. The third issue took place in January 2003 with a EUR 200 million nominal value. These bonds mature in 2012 and pay an annual interest rate of 6.875percent ("Official Gazette" No. 58/2002, No. 111/2002, No. 14/2003).

**BRA Bonds:** BRA Bonds I were issued for the rehabilitation of Riječka banka (HRK 552 million, "Official Gazette" Nos. 31/96, 20/98) and Splitska banka (HRK 765 million, "Official Gazette" Nos. 31/96, 22/98). Bonds for the rehabilitation of Privredna banka were issued in the amount of HRK 1,463 million. There were 3 bond issues ("Official Gazette", No. 106/98): BRA Bonds II (PBZ-DEM) were issued in the amount of DEM 84,333.6 million or equivalently HRK 300 million for a 15-year period. BRA Bonds III (PBZ-HRK) were issued in the amount of HRK 744 million for a 15-year period. BRA Bonds IV (PBZ-HRK) were issued in the amount of HRK 419.7 million for a 15-year period. BRA Bonds V were issued during 1998 for the rehabilitation of Dubrovačka banka in an amount of HRK 1,001.5 million for a 10-year period ("Official Gazette", No. 56/98). During 1998, as part of the rehabilitation process of Dubrovačka banka, a large portion of this bonds were redeemed. At the beginning of 1999, a new decision on the rehabilitation and reconstruction of Dubrovačka banka was enacted ("Official Gazette", No. 11/99). The new decision prompted the issue of bonds in the amount of HRK 2,601.8 million, consisting of HRK 1,001.5 million in compliance with the former decision plus the new HRK 1,415.3 million for coverage of potential losses and additional HRK 185 million as recapitalisation of the bank. BRA Bonds V-A were issued as a substitute for the unredeemed portion of the BRA Bonds V, whereas BRA bonds V-B covered the remaining part (HRK 1,600.3 million) according to the new decision.

**Treasury Bills** are short-term securities issued by the Ministry of Finance. The issue price is set at regular auctions, while the planned issue is announced by the Ministry of Finance with the bid invitation. Treasury bills are issued with 91,182, and 364 days maturity.

**Deposit Insurance Scheme BRA Bonds** are issued by the State Agency for Deposit Insurance and Bank Rehabilitation and are guaranteed by the Government. They are issued in order to foster the development of domestic capital markets and as means of payment for the insured deposits of bankrupted banks. Deposit Insurance Scheme BRA Bonds I were issued in 2000 with a EUR 105 million nominal value, an annual interest rate of 8percent and with a maturity of 3 years. Deposit Insurance Scheme BRA Bonds II were issued in 2000 with a EUR 225 million nominal value, 2005 maturity and 8.375percent annual interest rate.

**Health Institute Bonds** were issued by the Croatian Health Insurance Institute and were guaranteed by the Government with the purpose to foster the development of the domestic capital market and to help the restructuring of the health insurance system. These Bonds were issued in 2000 with a nominal value of EUR 222 million and 8.5percent annual interest rate with the maturity in 2004.

#### **Table 22: Results of the Treasury Bills' auctions held by the Ministry of Finance**

**Treasury Bills** are short-term securities issued by the Ministry of Finance. The issue price is set at regular auctions, while the planned issue is announced by the Ministry of Finance with the bid invitation. Treasury bills are issued with 91,182, and 364 days maturity.

Table 21 details the results of the treasury bills' auctions held by the Ministry of Finance, classified by the date of auction and including the following: size, total bids received, weighted average of the bids received (HRK)/yielding (percent), uniform price allocation per 100 HRK/yielding (percent).

#### **Table 23: Balance Sheet of public enterprises**

According to Article 13 of the Law on Accountancy (Official Gazette no. 146/2005) the Balance Sheet is a systematic overview of assets, capital and liabilities on a certain date.

Table 23 is based on data retrieved from the Balance Sheet as fundamental financial statement, for nine selected public enterprises owned by the government. Table 23 presents the reduced form of the Balance Sheet for the mentioned enterprises detailing selected entries within assets (claims on unpaid share equity; non-current assets; current assets; prepayments and accrued income; loss above the value of equity) as well as within equity and liabilities (equity and reserves; long term provisions; noncurrent liabilities; current liabilities; accruals and deferred income).

#### **Table 24: Profit and Loss Statement of public enterprises**

According to article 13 of the Law on Accountancy (Official Gazette 146/2005) the Profit and Loss Statement is a fundamental financial statement detailing revenues and expenses as well as the financial result achieved in a certain period of time.

Table 24 presents the reduced form of the Profit and Loss Statement with selected entries (operational income; operational costs; financial revenue; financial expense; income on ordinary activities; expenses on ordinary activities; income on non-ordinary activities; expenses on non-ordinary activities; total income; total expenses; profit/loss before tax; profit/loss for the year).

#### **Table 25: Trade payables and trade receivables of public enterprises**

Table 25 represents short financial statement "Trade payables and trade receivables" of selected eight public enterprises. Data are collected quarterly within the whole set of reports on public enterprises in which Republic of Croatia holds majority share. Provided data present overdue trade payables and overdue trade receivables of selected public enterprise on a particular day.

#### **Note:**

All diagrams shown in text about fiscal sector refer to Budgetary Central Government.

The GFS 2001 Manual is published on the IMF web site under the following address:

<http://www.imf.org/external/pubs/ft/gfs/manual/comp.htm>



## MANAGEMENT OF THE MINISTRY OF FINANCE

### Cabinet of the Minister:

#### **Minister of Finance:**

Ivan Šuker, B.Sc.

#### **State Secretaries:**

Zdravko Marić, M.Sc.

Ivana Maletić

### Ministry Secretariat:

#### **State Secretary**

Zvonko Šakić

### Bureau for Macroeconomics Analysis and Planning:

#### **Director**

Stanko Kršlović

### State Treasury:

#### **Chief Treasurer**

Vesna Orlandini

#### **Department for Budget Preparation and Financing of Local Governments:**

##### **Director**

Niko Raič, M.Sc.

#### **Department for Budget Execution:**

##### **Director**

Ivana Jakir Bajo

#### **Department for Public Debt Management:**

##### **Director**

Hrvoje Radovanić

#### **Sector for Development and Support of the State Treasury System:**

##### **Head of Sector**

Boris Marciuš

#### **Sector for the National Fund Affairs:**

##### **Head of Sector**

Dubravka Flinta

#### **State Treasury Legal Affairs Department:**

##### **Head of Department**

Bernardica Rubčić

### Projects and Legislation Department:

#### **Director**

### Department of Economy:

#### **Director**

Krešimir Dragić, M.Sc.

### Department for Financial System:

#### **Director**

Damir Kaufman

### Department for European Integration and International Financial Relations:

#### **Director**

Vladimira Ivandić, M.Sc.

### Internal Audit and Financial Control Department:

#### **Director**

Danijela Stepić

### Customs Administration:

#### **State Secretary,**

#### **Customs Administration Director**

Mladen Barišić, M.Sc.

### Tax Administration:

#### **State Secretary,**

#### **Tax Administration Director**

Ivica Mladineo, M.Sc.

### Foreign Exchange Inspectorate:

#### **Chief Inspector and**

#### **Director**

Slavica Pezer-Blečić, M.Sc.

### Finance Police:

#### **Director**

Zlatko Jurina

### Money Laundering Prevention Department:

#### **Head of Department**

Ivica Maros

### Independent Unit for Public Relations and Communications:

#### **Spokesman**

Sanja Bach

### Independent Division for Internal Auditing:

#### **Head of Division**

Tomislav Mičetić

### Independent Unit for Financial Management, Internal Monitoring and Control:

#### **Head of Department**

Marijan Čižmešija

### Independent Division for Second- Instance Administrative Procedure:

#### **Head of Division**

Zdenka Koharić

### Independent Information System Service:

#### **Head of Service**

Ivan Rašeta

### Independent Division for Border- Crossings Construction and Maintenance:

#### **Head of Division**

Ante Kapulica

### Independent Division for IPA Programe Auditing and the Verification of SAPARD Implementation:

#### **Head of Department**

Neven Šprlje



## ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		June 08	July 08	August 08	September 08
		<b>150</b>	<b>151</b>	<b>152</b>	<b>153</b>
SDDS Data Category		June 08	July 08	August 08	September 08
General Government operations	1)	(03/08)			(06/08)
Central Government operations	2)	(03/08)	(04/08)	(05/08)	(06/08)
Internal Central Government Debt	3)	(03/08)	(04/08)	(05/08)	(06/08)

- 1) Consolidated state budget, extrabudgetary funds and local government according to GFS 2001
- 2) Consolidated state budget and extrabudgetary funds according to GFS 2001
- 3) Stock of central government domestic debt



